ASUSTeK Computer Inc.

(incorporated as a company limited by shares in Taiwan, the Republic of China)

US$1,500,000,000 Zero Coupon Convertible Bonds due 2031

ASUSTeK Computer Inc. (the "**Company**," the "**Issuer**" and together with its subsidiaries, the "**Group**", or, to the extent applicable, "**we**", "**us**", "**our**") is offering US$1,500,000,000 aggregate principal amount of US dollar denominated zero coupon convertible bonds due 2031 (the "**Bonds**"), through Citigroup Global Markets Limited and Morgan Stanley Asia Limited (in alphabetical order) (the "**Initial Purchasers**").

The Bonds will be direct, unconditional, unsecured and unsubordinated obligations of the Company, and will rank *pari passu* without any preference or priority among themselves and with all of the Company's other present and future direct, unconditional, unsecured and unsubordinated Debt (as defined herein), except as otherwise provided herein. Unless the Bonds have been previously redeemed, repurchased and cancelled or converted, the Company will redeem the Bonds at a redemption price equal to 108.83% of the outstanding principal amount thereof at maturity. The Bonds will not bear any interest.

The Bonds will be convertible into common shares of the Company, par value NT$10.00 per share (the "**Common Shares**" or "**Shares**"), during the period from and including December 18, 2026 to and including (i) September 7, 2031 (the tenth (10th) day prior to the Maturity Date (as defined herein)) or (ii) the fifth (5th) Business Day (as defined herein) prior to the applicable Purchase Date (as defined herein) of such Bonds or date fixed for redemption (other than the Maturity Date) of such Bonds pursuant to a notice of redemption given by the Company at a conversion price which will initially be NT$1,384.60 per Share (subject to adjustment as set forth in "**Description of the Bonds — Conversion — Adjustments to the Conversion Price**") determined on the basis of a fixed exchange rate of US$1.00 = NT$31.523 applicable on conversion of the Bonds. The Common Shares are currently listed under the trading code "2357" on the Taiwan Stock Exchange (the "**TWSE**") in the Republic of China (the "**ROC**") and application will be made to list the Common Shares issued on conversion of the Bonds on the TWSE. The closing sale price per Share on the TWSE on September 10, 2026 was NT$989.0 (equivalent to US$31.37 at the exchange rate of NT$31.523 to US$1.00 based on the Taipei Forex Inc. Taiwan Dollar 11:00 a.m. Fixing rate on September 10, 2026). See "*Risk Factors — Risks Relating to Ownership of the Bonds and the Common Shares*."

At any time after September 17, 2029, by giving the requisite notice, the Company may redeem the Bonds, in whole or in part, at the Early Redemption Amount (as defined herein), if the closing price (translated into US Dollars at the Prevailing Exchange Rate (as defined herein)) of the Common Shares for 20 out of 30 consecutive Trading Days (as defined herein) immediately prior to the date upon which notice of such redemption was given, is at least 130% of the quotient of the Early Redemption Amount divided by the prevailing Conversion Ratio (as defined herein). In addition, the Company may, at its option and by giving the requisite notice, redeem the Bonds then outstanding, in whole but not in part, at the applicable Early Redemption Amount if (i) more than 90% in principal amount of the Bonds originally issued has been redeemed, repurchased and canceled or converted or (ii) the Company becomes obligated to pay Additional Amounts (as defined herein) as a result of certain changes in the tax laws of the ROC or such other jurisdiction in which the Issuer is then organized or resident for tax purposes occurring on or after the Closing Date, which is expected to be on September 17, 2026. See "*Description of the Bonds - Redemption of the Bonds.*"

You may require the Company to repurchase the Bonds, in whole or in part (being US$200,000 in principal amount or any integral multiple of US$100,000 in excess thereof), at 103.44% of the principal amount in US dollars with respect to your Bonds on September 17, 2028 (the second anniversary following the Closing Date) and at 107.01% on September 17, 2030 (the fourth anniversary following the Closing Date). You may also require the Company to repurchase the Bonds at the applicable Early Redemption Amount, if the Common Shares cease to be listed or admitted to trading on the TWSE or there is a Change of Control (as defined herein). See "*Description of the Bonds - Repurchase of the Bonds.*"

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this Offering Circular (this "**Offering Circular**"). Approval in-principle for the listing of the Bonds is not to be taken as an indication of the merits of this offering (the "**Offering**"), the Company, the Group, its subsidiaries, or any of their associated companies or the Bonds. Prior to this Offering, there has been no market anywhere for the Bonds, or any market outside Taiwan for the Common Shares.

Investing in and holding the Bonds involve a high degree of risk. See "*Risk Factors*" beginning on page 10 for a discussion of certain factors to be considered in connection with an investment in, and the holding of, the Bonds.

The Bonds and the Common Shares to be issued upon conversion of the Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any state securities laws. The Bonds are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act ("**Regulation S**"). The Bonds are sold subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable securities laws of any state or other jurisdiction pursuant to registration thereunder or exemption from registration. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. The Bonds are not being directly or indirectly offered in the ROC. See "*Transfer Restrictions*" and "*Plan of Distribution*."

The Bonds will be represented by beneficial interests in one or more global bonds registered in the name of Citivic Nominees Limited as nominee for the common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). Except as described herein, beneficial interests in the global bonds will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their participants. The Initial Purchasers expect to deliver the Bonds to purchasers accounts on or about September 17, 2026.

Bonds Issue Price: 100%

Joint Global Coordinators and Joint Bookrunners

(In alphabetical order)

citi

Morgan Stanley

Offering Circular dated September 10, 2026

You should rely only on the information contained in this Offering Circular. Neither the Company, the Initial Purchasers, the Trustee, the Agents, nor any of its or their respective directors, officers, employees, representatives, agents, advisers or affiliates, nor any person who controls any of them, has authorized anyone to provide you with different information. Neither the Company, the Initial Purchasers, the Trustee, the Agents, nor any of its or their respective directors, officers, employees, representatives, agents, advisers or affiliates, nor any person who controls any of them, is making an offer of these securities in any state or jurisdiction where the offer is not permitted. This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or an offer to sell or the solicitation of an offer to buy such securities by any person in any circumstances in which such offer or solicitation is unlawful. You should not assume that the information contained in this Offering Circular is accurate as of any date other than the date of this Offering Circular. The Company's business, financial condition, results of operations and prospects may have changed since that date.

Except as described below, the Company accepts responsibility for the information contained in this Offering Circular. The Company, having made all reasonable enquiries, confirms that this Offering Circular contains all information with respect to the Company, its consolidated subsidiaries, the Bonds and the Common Shares to be delivered upon conversion of the Bonds that is material in the context of the issue and offering of the Bonds, that the information contained in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions, that there are no other facts, the omission of which would, in the context of the issue and offering of the Bonds, make this Offering Circular as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respects and that all reasonable enquiries have been made by the Company to verify the accuracy of such information and that this Offering Circular does not contain an untrue statement of a material fact or omit to state a material fact required to be stated or necessary in order to make the statements, in the light of the circumstances under which they are made, not misleading. The information contained in the sections entitled "*Appendix A: The Securities Markets of the ROC*" and "*Appendix B: Foreign Investment and Exchange Controls in the ROC*" has been extracted from publicly available resources. However, such information has not been verified by the Company, the Initial Purchasers, the Trustee, the Agents, or any of the Company's, the Initial Purchasers', the Trustee's or the Agents' respective affiliates or advisors in connection with this Offering.

The distribution of this Offering Circular and the offering and sale of the Bonds, in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Company and the Initial Purchasers to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on the offering and sale of the Bonds, and distribution of this Offering Circular, see "*Plan of Distribution*" and "*Transfer Restrictions*." This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Company, the Initial Purchasers, the Trustee, the Agents, or any of its or their respective directors, officers, employees, representatives, agents, advisers or affiliates, or any person who controls any of them, to subscribe for or purchase any of the Bonds in any jurisdiction in which such offer or invitation would be unlawful. This Offering Circular may be used only for the purposes for which it has been published.

In making an investment decision regarding the Bonds, you must rely on your own examination of our Company and the terms of the Bonds and this Offering, including the merits and risks involved. The contents of this Offering Circular are not to be considered as legal, business, financial or tax advice. You should consult your own counsel, accountants and other advisors as to legal, tax, business, financial and related aspects with respect to the purchase of the Bonds. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted, by the Initial Purchasers, the Trustee or the Agents or any of its or their respective directors, officers, employees, representatives, agents, advisers or affiliates, or any person who controls any of them, as to the accuracy or completeness of the information contained in this Offering Circular or any other information supplied in connection with our Company, the issue and offering of the Bonds or the Shares. To the fullest extent permitted by law, none of the Initial Purchasers, the Trustee or the Agents or any of its or their respective directors, officers, employees, representatives, agents, advisers or affiliates, or any person who controls any of them accept any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Initial Purchasers, the Trustee or the Agents or on their behalf in connection with our Company, the issue and offering of the Bonds or the Shares. The Initial Purchasers, the Trustee or the Agents accordingly disclaim any and all liabilities against it or any of its or their respective directors, officers, employees, representatives, agents, advisers or affiliates, or any person who controls any of them, whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

Important Notice to Prospective Investors

Prospective investors should be aware that certain intermediaries in the context of this Offering of the Bonds, including Citigroup Global Markets Limited and Morgan Stanley Asia Limited (in alphabetical order) (the "**Initial Purchasers**"), are "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**Code**"). This notice to prospective investors is a summary of certain obligations the Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("**OCs**") for this Offering and are subject to additional requirements under the Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the Code as having an association ("**Association**") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the Bonds and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with the Initial Purchasers, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Initial Purchasers or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a "proprietary order." If a prospective investor is otherwise affiliated with the Initial Purchasers, such that its order may be considered to be a "proprietary order" (pursuant to the Code), such prospective investor should indicate to the Initial Purchasers when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a "proprietary order." Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private bank(s) which acts as a CMI in connection with this Offering ("**Private Banks**")) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Initial Purchasers and/or any other third parties as may be required by the Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the Code, it being understood and agreed that such information shall only be used for the purpose of complying with the Code, during the bookbuilding process for this Offering. Failure to provide such information may result in that order being rejected.

PRIIPS REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Bonds are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Bonds are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means

a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**"). Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling, or distributing the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

In addition, prospective investors should be aware that this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at: (i) in the UK, persons having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), and/or high net-worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order; and (ii) persons who are outside the UK (all such persons together being referred to as "**relevant persons**"). This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to, and will be engaged in only with, relevant persons.

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PRESENTATION OF INFORMATION

The references to the "Company", the "Issuer" or "ASUSTeK Computer" in this Offering Circular refer to ASUSTeK Computer Inc., and references to "we," "us" and "our" in this Offering Circular refer to ASUSTeK Computer Inc. or ASUSTeK Computer Inc. and its subsidiaries, as the context requires, unless specifically indicated. The references to "Shares" or "Common Shares" refer to the common shares of the Company, par value NT$10 per common share. The references to "Taiwan" and "ROC" refer to Taiwan, the Republic of China. The references to "PRC" and "China" refer to the People's Republic of China. The references to the "ROC Company Act" refer to the Company Act of the ROC. The references to "FSC" refer to the Financial Supervisory Commission of the ROC. The references to "MOEA" refer to the Ministry of Economic Affairs of the ROC. The references to "DIR" refer to the Department of Investment Review, Ministry of Economic Affairs of the ROC (which was previously named Investment Commission of the Ministry of Economic Affairs). The references to "TWSE" refer to the Taiwan Stock Exchange Corporation. "PRC person" means (A) an individual holding a passport issued by the PRC or PRC residence registration (including an individual who used to hold PRC passport or PRC residence registration but has given up his or her PRC citizenship and converted to the citizenship of another jurisdiction for less than 4 years or has not stayed outside the PRC for a period of over 4 years, but not including a resident in a special administrative region of the PRC such as Hong Kong and Macau, if so excluded by applicable laws of Taiwan); (B) any agency or instrumentality of the PRC or any corporation, partnership or other entity of any area of the PRC under the effective control or jurisdiction of the PRC (but not including a special administrative region of the PRC such as Hong Kong or Macau, if so excluded by applicable laws of the ROC); or (C) any corporation, partnership or other entity organized under the laws of any other jurisdiction outside of the PRC that either (i) is directly or indirectly controlled by, or (ii) has more than 30 percent of its capital directly or indirectly owned by, or beneficially owned by any such person referred to in (A) or (B).

Unless expressly stated otherwise, all financial information, description and other information regarding our financial condition and results of operations as of and for the years ended December 31, 2023 and 2024, and as of and for the years ended December 31, 2024 and 2025 and as of and for the six months ended June 30, 2025 and 2026 included in this Offering Circular are presented on a consolidated basis. We prepared our consolidated financial statements as of and for the years ended December 31, 2023 and 2024 and as of and for the years ended December 31, 2024 and 2025 in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC interpretations that came into effect as endorsed by the Financial Supervisory Commission, ROC (the "**FSC**") (together referred to herein as "**T-IFRS**"). The T-IFRS differs from U.S. GAAP, IFRS or the generally accepted accounting principles of certain other countries in certain respects, including, but not limited to, the extent that any new or amended standards or interpretations applicable under IFRS may not be timely endorsed and issued into effect by the FSC. All such financial data should be read in conjunction with, and are qualified in their entirety by reference to, the financial statements included elsewhere in this Offering Circular, including the notes thereto. Potential investors should seek professional advice with respect to such differences from generally accepted accounting principles. Our consolidated financial statements as of and for the years ended December 31, 2023 and 2024 and as of and for the years ended December 31, 2024 and 2025 have been audited by PricewaterhouseCoopers, Taiwan in accordance with Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and generally accepted auditing standards of the ROC, as indicated in the independent auditors' reports included elsewhere in this Offering Circular. We prepared our unaudited consolidated financial statements as of and for the six months ended June 30, 2025 and 2026 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standards (the "**IAS**") 34 "Interim Financial Reporting" that came into effect as endorsed by the FSC. Our consolidated financial statements as of and for the six months ended June 30, 2025 and 2026 have been reviewed by PricewaterhouseCoopers, Taiwan in accordance with TWSRE 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity" of the R.O.C, as indicated in the independent auditors' review reports included elsewhere in this Offering Circular. The Company's unaudited consolidated financial statements as of and for the six months ended June 30, 2025 and 2026 should not be taken as an indication of the expected consolidated financial position and performance of the Company for the full financial year ending December 31, 2026.

The financial statements of the Company are published in New Taiwan dollars, the lawful currency of the ROC. All references to "United States dollars," "US dollars" and "US$" are to United States dollars, all references to "New Taiwan dollars," "NT dollars" and "NT$" are to New Taiwan dollars. Unless otherwise noted, all translations from NT dollars to US dollars were made at the exchange rate as set forth in the H.10 statistical release of the Federal Reserve Board (the "**Noon Buying Rate**") as of June 30, 2026, which was NT$31.85 = US$1.00. All amounts translated into US dollars in this Offering Circular have not been audited or reviewed by the independent auditors and are provided solely for your convenience and no representation is made that the NT

dollar or US dollar amounts referred to herein could have been or could be converted into US dollars or NT dollars, as the case may be, at any particular rate or at all.

In this Offering Circular, where information has been presented in thousands, millions or billions of units, amounts may have been rounded according to established commercial standards. As a result, rounded figures in the tables below may not add up to the aggregate amounts in such tables.

We have compiled all industry and market information and statistics contained in this Offering Circular from various published and private sources, which may be inconsistent with other information compiled elsewhere. As far as we are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, neither we, nor the Initial Purchasers, have independently verified the accuracy of any of such information. In this Offering Circular, unless otherwise specified or the context otherwise requires, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this Offering Circular. The words "believe," "expect," "anticipate," "estimate," "project," "intend," "plan," "seek" and similar words identify forward-looking statements. In addition, all statements other than statements of historical fact included in this Offering Circular are forward-looking statements. Our forward-looking statements contain information regarding:

- our future revenue and profitability;
- our business strategies;
- expected growth in demand for our products and services;
- the expected industry trends;
- our capital expenditure plans; and
- other matters discussed in this Offering Circular regarding matters that are not historical facts,

are only forecasts based on information currently available to us. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, these forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others:

- industry cyclicality, volatility and changing market conditions in the PC, gaming and AI infrastructure industries;
- price declines over the life cycles of our products and our ability to mitigate their effects;
- our ability to enhance or expand our product offerings and manage product transitions;
- fluctuations in our sales revenues by product, customer and geographic sales mix, as well as seasonal sales trends;
- global or regional economic, political and social conditions;
- our ability to procure components and products in a timely and reliable manner from single source or limited-source suppliers;
- our ability to forecast customer demand or industry supply accurately and resulting inventory risk; and
- other risks identified in the "*Risk Factors*" section of this Offering Circular.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give no assurance that such expectations will prove correct. We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In addition, any forward-looking statements are made only as at the date of this Offering Circular and we do not intend, and do not assume any obligation, to update forward-looking statements set forth in this Offering Circular. In light of the foregoing and the risks, uncertainties and assumptions in "Risk Factors" and elsewhere in this Offering Circular, the forward-looking events in this Offering Circular are not guarantees of future performance and might not occur and our actual results could differ materially from those anticipated in those forward-looking statements. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this Offering Circular. As a result, you should not place undue reliance on these forward-looking statements.

ENFORCEABILITY OF FOREIGN JUDGMENTS

The Company is a company limited by shares and incorporated under the ROC Company Act. Substantially all of its directors (including independent directors, the same shall apply hereinafter) and executive officers and certain other parties named in this Offering Circular are residents of the ROC, and a significant portion of the Company's assets and these persons are located in the ROC. As a result, it may not be possible for you to effect service of process upon the Company or any of these persons outside of the ROC, or to enforce against any of them judgments obtained in courts outside of the ROC. The Company's ROC counsel has advised that any final and non-appealable judgment obtained against the Company or such persons in any court other than the courts of the ROC in respect of any legal suit or proceeding arising out of or relating to the Bonds or Common Shares to be issued upon conversion of the Bonds will be enforced by the courts of the ROC without further review of the merits only if the court of the ROC in which enforcement is sought is satisfied with the following:

- the court rendering the judgment has jurisdiction over the subject matter according to the laws of the ROC;
- the judgment and the court procedure resulting in the judgment are not contrary to the public order or good morals of the ROC;
- if the judgment was rendered by default by the court rendering the judgment, either (i) the Company or such persons were duly served within a reasonable period of time within the jurisdiction of such court in accordance with the laws and regulations of such jurisdiction, or (ii) process was duly served on the Company or such persons with judicial assistance of the ROC; and
- judgments of the courts of the ROC are recognized and enforceable in the jurisdiction of the court rendering the judgment on a reciprocal basis.

A foreign person seeking to enforce a foreign judgment in the ROC would, except under limited circumstances, be required to obtain foreign exchange approval from the Central Bank of the Republic of China (Taiwan) (the "**CBC**"), for the remittance out of the ROC of any amounts exceeding US$100,000 (or its equivalent) recovered in respect of that judgment. Notwithstanding the above, CBC may, depending on the economic and financial situation and the need to maintain the order of the foreign exchange market, require that certain conversions exceeding a certain amount per year should be subject to the foreign exchange approval from the CBC. See "*Appendix B: Foreign Investment and Exchange Controls in the ROC*."

SUMMARY

The following summary is qualified in its entirety by the more detailed information contained elsewhere in this Offering Circular. This summary may not contain all of the information you should consider before deciding to invest in the Bonds. We recommend that you read this Offering Circular carefully, including the consolidated financial statements as of and for the years ended December 31, 2023, 2024 and 2025 and as of and for the six months ended June 30, 2025 and 2026 and related notes which appear in the F-pages of this Offering Circular and "Risk Factors."

Overview

Vision

Ubiquitous AI. Incredible Possibilities.

Who We Are

We are a leading global technology powerhouse that designs and sells personal computers, gaming hardware, PC components and AI infrastructure under the ASUS and Republic of Gamers ("**ROG**") brands, holding leading positions globally in motherboards, graphics cards, gaming devices and OLED monitors, and we are among the world's top notebook brands by shipment volume.

Established in 1989 and incorporated in Taiwan in 1990, we have been listed on the Taiwan Stock Exchange since 1996. Since our establishment, we have grown from a motherboard specialist into a full-spectrum AI solutions provider, with a portfolio of end-to-end AI infrastructure solutions spanning from cloud servers to edge AI PCs and emerging physical AI applications.

Our Product Portfolio

Our product portfolio spans the AI computing spectrum, from cloud infrastructure to edge devices and physical AI. We organize our business into four business groups and serve three principal end markets: gaming, consumer and enterprise:

- *System Business Group*: Our System Business Group designs notebooks, desktops and all-in-one PCs across consumer, gaming, commercial and creator lines, including our Copilot+ AI PCs and our Zenbook, Vivobook, ExpertBook, ProArt and ROG families. These products integrate on-device AI compute to bring generative and agentic AI to the personal computer.

- *Open Platform Business Group*: Our Open Platform Business Group supplies motherboards, graphics cards, monitors and gaming peripherals such as mice, keyboards and headsets, anchoring the component and display ecosystem that underpins our broader gaming franchise.

- *Infrastructure Solutions Business Group*: Our Infrastructure Solutions Business Group provides AI servers, storage, networking and end-to-end cloud and edge solutions. Our AI server portfolio spans rack-scale systems and accelerated GPU servers built on leading NVIDIA platforms, led by the flagship ASUS AI POD on the NVIDIA Vera Rubin NVL72 platform and our ESC-series GPU servers on NVIDIA HGX and MGX systems, together with the ASUS AI Factory for turnkey, rack-scale AI deployment. We complement these with AI-optimized storage and advanced liquid-cooling solutions for large-scale AI data centers.

- *AIoT Business Group*: Our AIoT Business Group delivers edge AI and embedded computing for smart manufacturing, smart cities, healthcare and robotics, extending AI into the physical world. Our offerings range from edge AI systems such as the ASUS IoT P1 to sovereign AI smart city solutions and smart medical platforms spanning medical imaging, robotics and telemedicine.

Our Industry Tailwinds

The proliferation of AI is expanding compute demand across the data center, edge devices and, increasingly, physical AI. In the data center, demand for AI infrastructure is entering an explosive growth phase globally, with AI compute capacity still broadly insufficient to meet demand and capital expenditure by major cloud service providers ("**CSPs**") continuing to rise. Beyond the large cloud service providers, there is substantial and broadening demand from Neocloud customers (specialized cloud providers focused on AI compute), from enterprises deploying AI inference, and from governments pursuing sovereign AI, as the growing commercial

monetization of AI in turn fuels further investment in AI infrastructure. Within the server market, the spread of enterprise AI inference and agentic AI is broadening demand beyond AI accelerators to general-purpose servers, which increasingly operate in synergy with AI servers, and we expect demand for both to grow in the coming years.

At the edge, this same proliferation of AI is expected to accelerate adoption of AI PCs and other edge AI devices, as the emergence of agentic AI applications drives increasing demand for on-device compute alongside the data center.

Corporate and Other Information

We were incorporated on April 2, 1990 under the ROC Company Act. Our registered office and our principal executive offices are located at No. 15, Lide Rd., Beitou Dist., Taipei City 112019, Taiwan (R.O.C.) and our telephone number is +886 2 2894 3447. The uniform number assigned to us by the Ministry of Economic Affairs of the ROC is 23638777. Our Common Shares have been listed on the TWSE since November 1996. On September 10, 2026, the closing price of our Common Shares on the TWSE was NT$989.0 per share and our market capitalization was approximately NT$734.6 billion (US$23.3 billion). Our website address is www.asus.com. Our website does not constitute a part of this Offering Circular.

Recent Developments

July and August 2026 Financial Performance

As announced on the Market Observation Post System (the "**MOPS**") on the TWSE, our consolidated operating revenue for July and August 2026 was NT$84.1 billion and NT$95.0 billion, respectively. Such preliminary monthly revenue information is unaudited and is subject to, among other things, the completion of our financial closing procedures. Accordingly, our monthly results are not necessarily indicative of our results that may be expected for the full year 2026.

SUMMARY FINANCIAL INFORMATION

The following tables present our summary financial information. The summary financial information as of and for the years ended December 31, 2023 and 2024 and as of and for the years ended December 31, 2024 and 2025 set forth below are qualified by reference to, and should be read in conjunction with, our consolidated financial statements as of and for the years ended December 31, 2023 and 2024 and as of and for the years ended December 31, 2024 and 2025 included elsewhere in this Offering Circular. The summary financial information as of and for the six months ended June 30, 2025 and 2026 set forth below had been derived from our unaudited consolidated financial statements as of and for the six months ended June 30, 2025 and 2026 included elsewhere in this Offering Circular and are qualified by reference to, and should be read in conjunction with, our unaudited consolidated financial statements as of and for the six months ended June 30, 2025 and 2026 included elsewhere in this Offering Circular.

Our consolidated financial statements as of and for the years ended December 31, 2023 and 2024, and as of and for the years ended December 31, 2024 and 2025 have been prepared and presented in accordance with T-IFRSs, which differs from U.S. GAAP, IFRS or the generally accepted accounting principles of certain other countries, including, but not limited to, the extent that any new or amended standards or interpretations applicable under IFRS may not be timely endorsed and issued into effect by the FSC. For information relating to the nature and effect of certain differences between IFRS and T-IFRSs as they relate to us, see Note 3 to our consolidated financial statements as of and for the years ended December 31, 2023 and 2024 and as of and for the years ended December 31, 2024 and 2025, and as of and for the six-month period ended June 30, 2025 and 2026 included elsewhere in this Offering Circular.

Summary Consolidated Statement of Comprehensive Income

	For the Year Ended December 31,				For the Six Months Ended June 30,		
	2023	2024	2025	2025	2025	2026	2026
	NT$	NT$	NT$	US$	NT$	NT$	US$
	(in millions, except for earnings per share)						
				(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
Operating revenue	482,314.4	587,087.1	738,904.8	23,199.5	335,699.5	466,101.7	14,634.3
Operating (costs)	(409,920.3)	(483,616.6)	(627,289.3)	(19,695.1)	(285,130.6)	(390,887.6)	(12,272.8)
Gross profit	72,394.1	103,470.5	111,615.5	3,504.4	50,568.9	75,214.1	2,361.5
Unrealized (gain) loss from sales	10.6	3.6	(1.2)	(0.0)	(6.4)	(2.1)	(0.1)
Gross profit	72,404.7	103,474.1	111,614.3	3,504.4	50,562.5	75,212.0	2,361.4
Operating (expenses)							
Selling (expenses)	(29,186.7)	(35,417.8)	(40,292.3)	(1,265.1)	(18,473.5)	(20,353.9)	(639.1)
General and administrative (expenses)	(9,813.2)	(11,359.3)	(11,388.1)	(357.6)	(5,512.4)	(6,496.1)	(204.0)
Research and development (expenses)	(21,638.9)	(22,036.4)	(24,846.8)	(780.1)	(11,251.9)	(15,112.5)	(474.5)
Expected credit impairment (losses) gains	(601.9)	(5,065.3)	4,569.0	143.5	5,089.8	(379.8)	(11.8)
Total operating (expenses)	(61,240.7)	(73,878.8)	(71,958.2)	(2,259.3)	(30,148.0)	(42,342.3)	(1,329.4)
Operating profit (loss)	11,164.0	29,595.3	39,656.1	1,245.1	20,414.5	32,869.7	1,032.0
Non-operating income and (expenses)							
Interest income	2,855.3	3,461.0	3,872.3	121.6	2,142.7	1,660.0	52.1
Other income	3,133.8	3,203.4	3,328.5	104.5	2,192.7	2,005.4	63.0
Other gains (losses)	4,533.6	4,209.0	5,281.8	165.8	2,070.4	1,411.5	44.3
Finance (costs)	(693.0)	(739.5)	(989.3)	(31.1)	(433.2)	(755.8)	(23.7)
Share of profit (loss) of associates and joint ventures accounted for under equity method	1,099.9	2,461.2	3,858.7	121.2	1,990.7	2,926.0	91.9
Total non-operating income and (expenses)	10,929.6	12,595.1	15,352.0	482.0	7,963.3	7,247.1	227.6
Profit (Loss) before income tax	22,093.6	42,190.4	55,008.1	1,727.1	28,378.0	40,116.8	1,259.6
Income tax (expenses) benefit	(4,203.8)	(7,951.5)	(6,791.4)	(213.2)	(4,268.3)	(8,622.5)	(270.8)
Profit (Loss) for the year/period	17,889.9	34,238.9	48,216.7	1,513.9	24,109.5	31,494.3	988.8
Other comprehensive income (loss) for the year/period	23,267.1	7,207.6	(22,797.5)	(715.8)	(26,262.7)	36,162.9	1,135.4
Total comprehensive income (loss) for the year/period	41,157.0	41,446.5	25,419.2	798.1	(2,153.2)	67,657.2	2,124.2
Profit (loss) attributable to:							
Shareholders of the parent	15,928.3	31,393.9	44,557.8	1,399.0	22,596.3	28,844.9	905.6
Non-controlling interests	1,961.6	2,845.0	3,658.9	114.9	1,513.2	2,649.4	83.2
	17,889.9	34,238.9	48,216.7	1,513.9	24,109.5	31,494.3	988.8

	For the Year Ended December 31,				For the Six Months Ended June 30,		
	2023	2024	2025	2025	2025	2026	2026
	NT$	NT$	NT$	US$	NT$	NT$	US$
	(in millions, except for earnings per share)						
				(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
Total comprehensive income (loss) attributable to:							
Shareholders of the parent	37,940.3	37,948.2	23,076.8	724.5	(476.2)	64,809.5	2,034.8
Non-controlling interests	3,216.7	3,498.3	2,342.4	73.6	(1,677.0)	2,847.7	89.4
	41,157.0	41,446.5	25,419.2	798.1	(2,153.2)	67,657.2	2,124.2
Earnings (loss) per share:							
Basic earnings (loss) per share	21.44	42.27	59.99	1.88	30.42	38.83	1.22
Diluted earnings (loss) per share	21.36	42.03	59.51	1.87	30.27	38.57	1.21

Summary Consolidated Balance Sheet Data

	As of December 31,				As of June 30,	
	2023	2024	2025	2025	2026	2026
	NT$	NT$	NT$	US$	NT$	US$
	(in millions)					
				(unaudited)	*(unaudited)*	*(unaudited)*
Total current assets	307,176.6	379,243.0	453,833.8	14,249.1	654,227.3	20,540.9
Total non-current assets	172,905.2	177,280.7	177,822.9	5,583.1	214,314.7	6,728.9
Total Assets	480,081.8	556,523.7	631,656.7	19,832.2	868,542.0	27,269.8
Total current liabilities	197,552.4	231,867.3	307,347.0	9,649.8	511,107.5	16,047.3
Total non-current liabilities	23,547.4	27,458.9	26,746.5	839.8	27,448.8	861.8
Total liabilities	221,099.8	259,326.2	334,093.5	10,489.6	538,556.3	16,909.1
Total equity	258,982.0	297,197.5	297,563.2	9,342.6	329,985.7	10,360.7
Total Liabilities and Equity	480,081.8	556,523.7	631,656.7	19,832.2	868,542.0	27,269.8

Summary Consolidated Cash Flow Data

	For the Year Ended December 31,				For the Six Months Ended June 30,		
	2023	2024	2025	2025	2025	2026	2026
	NT$	NT$	NT$	US$	NT$	NT$	US$
				(in millions)			
				(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
Net cash flows provided by (used in) operating activities	52,087.1	8,030.4	30,330.3	952.3	24,444.3	(77,332.2)	(2,428.0)
Net cash flows provided by (used in) investing activities	2,206.4	(3,190.4)	(8,182.9)	(256.9)	(10,412.2)	1,684.3	52.9
Net cash flows provided by (used in) financing activities	(45,240.4)	4,805.7	(23,221.0)	(729.1)	(3,599.9)	69,813.2	2,191.9
Effects due to changes in exchange rate	850.8	5,165.7	(2,885.7)	(90.6)	(11,463.4)	1,912.5	60.1
Net increase (decrease) in cash and cash equivalents	9,903.9	14,811.4	(3,959.3)	(124.3)	(1,031.2)	(3,922.2)	(123.1)
Cash and cash equivalents at beginning of year/period	69,322.7	79,226.6	94,038.0	2,952.5	94,038.0	90,078.7	2,828.2
Cash and cash equivalents at end of year/period	79,226.6	94,038.0	90,078.7	2,828.2	93,006.8	86,156.5	2,705.1

THE OFFERING

The following is only a summary and is qualified in its entirety by reference to the "Description of the Bonds."

Issuer	ASUSTeK Computer Inc.
The Offering	US$1,500,000,000 aggregate principal amount of US dollar denominated zero coupon convertible bonds due 2031, being offered outside the United States in reliance on Regulation S under the U.S. Securities Act.
Interest	The Bonds will not bear any interest.
Closing Date	September 17, 2026
Maturity Date and Final Redemption	Unless previously redeemed, repurchased and canceled or converted, the Bonds will mature, and the Company will redeem the Bonds, on September 17, 2031 at a redemption price equal to 108.83% of the outstanding principal amount thereof.
Issue Price	100%
Ranking	The Bonds will (i) be the direct, unconditional, unsecured and unsubordinated obligations of the Issuer, (ii) rank *pari passu* without any preference or priority among themselves and with all other direct, unconditional, unsecured and unsubordinated Debt (as defined herein) of the Issuer now or hereafter outstanding (except to the extent that such other Debt (x) ranks above such obligation solely by reason of Liens (as defined herein) permitted under the Indenture (as defined herein) or (y) is preferred by mandatory provisions of law), and (iii) be senior in right of payment to all Debts of the Issuer that are expressed to be subordinated in right of payment to the Bonds. The Bonds will be effectively subordinated to all secured obligations but subject to the negative pledge as described in "*Description of the Bonds — Certain Covenants — Negative Pledge*" of the Issuer with respect to claims against the assets securing such obligations ("**Secured Debt**").
Conversion	Subject to certain conditions, each holder of the Bonds (a "**Holder**") will have the right during the Conversion Period (as defined herein) to convert its Bonds (being US$200,000 in principal amount or any integral multiple of US$100,000 in excess thereof) into Common Shares, provided, however, that the Conversion Right during any Closed Period (as defined herein) shall be suspended and the Conversion Period shall not include any such Closed Period. See "*Description of the Bonds — Conversion*" and "*Risk Factors — Risks Relating to Ownership of the Bonds and the Common Shares — There are limitations on the Bondholders' ability to exercise conversion rights*." Subject to any applicable limitations then imposed by ROC laws and regulations, the Company shall as promptly as practicable, and in any event within five Trading Days (as defined herein) after the Conversion Date (as defined herein) deliver Common Shares in book-entry form to the converting Holders for the purpose of trading the Common Shares on the TWSE.
Conversion Price	The conversion price will initially be NT$1,384.60 per Common Share determined on the basis of a fixed exchange rate applicable on conversion of Bonds of US$1.00 = NT$31.523 (the "**Fixed Exchange**

	Rate"). The conversion price will be subject to adjustments for, among other things, subdivision or consolidation of shares, right issues, distributions, stock dividends, and other dilutive events. See "*Description of the Bonds*."
Early Redemption Amount	The Early Redemption Amount for each US$100,000 principal amount of the Bonds is determined so that it represents for the Holder a yield of 1.70% per annum, calculated on a semi-annual basis.
Redemption at the Option of the Issuer	At any time after September 17, 2029, the Bonds may be redeemed at the option of the Company, in whole or in part, on not less than 30 nor more than 60 days' written notice to the Holders (which notice shall be irrevocable) and upon written notice to the Trustee and the Agents, at the applicable Early Redemption Amount, provided that (i) the Closing Price (translated into US Dollars at the Prevailing Exchange Rate) of the Common Shares for 20 out of 30 consecutive Trading Days immediately prior to the date upon which notice of such redemption was given, is at least 130% of the quotient of the Early Redemption Amount divided by the prevailing Conversion Ratio (as defined herein) and (ii) the applicable Redemption Date (as defined herein) does not fall within a Closed Period (as defined herein). Notwithstanding the foregoing, the Company may redeem the Bonds, in whole but not in part, at any time, on not less than 30 nor more than 60 days' written notice, at the applicable Early Redemption Amount if more than 90% in principal amount of the Bonds originally issued has been redeemed, repurchased and canceled or converted; provided that the applicable Redemption Date does not fall within a Closed Period. See "*Description of the Bonds — Redemption of the Bonds — Redemption at the Option of the Issuer*."
Additional Amounts	All payments of the principal of and other amounts on the Bonds and all deliveries of Common Shares made on conversion of the Bonds are to be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or other governmental charges imposed, levied, collected, withheld or assessed by or within the ROC or any other jurisdiction in which the Issuer is organized or resident for tax purposes or from which any payment on the Bonds is made (or any political subdivision or Taxing Authority (as defined herein) thereof or therein), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company will, subject to certain exceptions, pay such Additional Amounts (as defined herein) on the Bonds as will result in receipt by the Holder of each Bond of such amounts as would have been received by such Holder had no such withholding or deduction been required.
Tax Redemption	If, as a result of certain changes relating to the tax laws in the ROC or such other jurisdiction in which the Company is then organized or resident for tax purposes (or any political subdivision or authority or agency thereof), the Company becomes obligated to pay Additional Amounts, the Bonds may be redeemed at the option of the Company, in whole but not in part, at the applicable Early Redemption Amount; provided that such right cannot be exercised earlier than 45 days prior to the first date on which the Company would be obligated to make an Additional Amounts payment with respect to all or substantially all of the outstanding Bonds were a payment then due. See *"Description of the Bonds — Redemption of the Bonds — Redemption for Taxation Reasons."*

Repurchase at the Option of the Holder	Unless the Bonds have been previously redeemed, repurchased and canceled or converted, each Holder shall have the right, at such Holder's option, to require the Issuer to repurchase, in whole or in part (being US$200,000 in principal amount or any integral multiple of US$100,000 in excess thereof), such Holder's Bonds, on September 17, 2028 (the second anniversary following the Closing Date) and on September 17, 2030 (the fourth anniversary following the Closing Date) at a price equal to 103.44% and 107.01% of the principal amount in US dollars, respectively, with respect to such Holder's Bonds to be repurchased. See "*Description of the Bonds — Repurchase of the Bonds — Repurchase at the Option of the Holder*."
Repurchase in the Event of Change of Control	Unless the Bonds have been previously redeemed, repurchased and canceled or converted, each Holder shall have the right, at such Holder's option, to require the Company to repurchase, in whole or in part (being US$200,000 in principal amount or integral multiples of US$100,000 in excess), such Holder's Bonds at the applicable Early Redemption Amount upon the occurrence of a Change of Control, as defined herein. See "*Description of the Bonds — Repurchase of the Bonds — Repurchase in the Event of Change of Control*."
Repurchase in the Event of Delisting	Unless the Bonds have been previously redeemed, repurchased and canceled or converted, in the event that the Common Shares cease to be listed or admitted to trading on the TWSE, each Holder shall have the right, at such Holder's option, to require the Company to repurchase, in whole or in part (being US$200,000 in principal amount or any integral multiple of US$100,000 in excess thereof), such Holder's Bonds on the 20th Business Day after the Issuer provides a notice to the Holders, the Trustee and the Paying Agent regarding such delisting at the applicable Early Redemption Amount with respect to such Holder's Bonds to be repurchased. See "*Description of the Bonds — Repurchase of the Bonds — Repurchase in the Event of Delisting*."
Negative Pledge	Subject to certain exceptions, the Issuer shall not, and shall ensure that none of its Principal Subsidiaries (as defined herein) will, create or permit to subsist any Lien (as defined herein) on any of its or, as the case may be, such Principal Subsidiary's, property, assets or revenues, present or future, to secure for the benefit of the holders of any International Investment Securities (as defined herein) (i) payment of any sum owing in respect of any such International Investment Securities, (ii) any payment under any guarantee of any such International Investment Securities or (iii) any payment under any indemnity or other like obligation relating to any such International Investment Securities, unless contemporaneously therewith effective provision is made to secure the Bonds (a) equally and ratably with such International Investment Securities with a similar Lien on the same property, assets or revenues securing such International Investment Securities for so long as such International Investment Securities are secured by such Lien or (b) with such other security, guarantee, indemnity or other arrangement as shall be approved by registered Holders holding not less than 50% of the principal amount of the outstanding Bonds. See "*Description of the Bonds — Certain Covenants — Negative Pledge*."
Form and Denomination	The Bonds will be issuable only in book-entry form and only in denominations of US$200,000 in principal amount and any integral multiples of US$100,000 in excess thereof. Bonds will be represented by the Global Bond. On the closing date of the Offering, the Company

	will deliver the Global Bond to the common depositary (the "**Common Depositary**") for Euroclear and Clearstream. If (i) at any time, the Common Depositary advises the Issuer in writing that it is unwilling or unable to continue as a depository for the Global Bond and a successor depository is not appointed within 90 days, (ii) either Euroclear or Clearstream or any alternative clearing system on behalf of which the Bonds evidenced by the Global Bond may be held is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so, or (iii) an Event of Default (as defined herein) has occurred and is continuing with respect to the Bonds and the Trustee notifies the Issuer in writing that any of the Bonds have become immediately due and payable pursuant to the Indenture, and, in the case of (iii) above, if the Issuer has received a written request from a Holder, the Issuer shall issue individual certificated bonds in registered form in exchange for the Global Bond in any authorized denominations and in an aggregate principal amount equal to the principal amount of the Global Bond. The Bonds will not be issuable in a bearer form.
Use of Proceeds	The gross proceeds to be received by the Company from this Offering will be approximately US$1,500.0 million. The Company will use the net proceeds for procurement of raw materials in foreign currencies. See "*Use of Proceeds*".
Listing	Application has been made to the SGX-ST for the listing of the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this Offering Circular. Approval-in-principle for the listing of the Bonds is not to be taken as an indication of the merits of the Offering, the Company, the Group, its subsidiaries or any of their associated companies or the Bonds. Prior to the Offering, there has been no market anywhere for the Bonds, or any market outside the ROC for the Common Shares. For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that any of the Global Bonds is exchanged for individual definitive Bonds, the Company will appoint and maintain a paying agent in Singapore, where the Bonds may be presented or surrendered for payment or redemption. In addition, in the event that any of the Global Bonds is exchanged for individual definitive Bonds, announcement of such exchange will be made by the Company or on its behalf through the SGX-ST. Such announcement will include all material information with respect to the delivery of the individual definitive Bonds, including details of the paying agent in Singapore. For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Bonds, if traded on the SGX-ST, will be traded in a minimum board lot size of US$200,000.
Lockup Agreements	The Company has agreed that, subject to certain exceptions, until 90 days after the Closing Date, not to, without the Initial Purchasers' prior written consent, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of any securities of the Company that are substantially similar to the Bonds, the Shares, including but not limited to any securities that are convertible into, or exchangeable for, the Bonds or

	the Shares or any such substantially similar equity securities. See "*Plan of Distribution*."
Trading Market for the Common Shares	The only trading market for the Common Shares is the TWSE. The Common Shares have been listed on the TWSE under the trading code "2357".
Governing law	The Indenture and the Bonds will be governed by, and construed in accordance with, the laws of the State of New York.
Trustee and Registrar	Citicorp International Limited
Paying Agent, Conversion Agent and Transfer Agent ("**Agents**")	Citibank, N.A., London Branch
Transfer restrictions	None of the Bonds or the Common Shares issuable upon conversion of the Bonds has been registered under the Securities Act, and those securities are subject to restrictions on transfer. See "*Transfer Restrictions*".
Delivery of the Bonds	Delivery of the Bonds, against payment in same-day funds, will be on the Closing Date.

RISK FACTORS

Investing in the Bonds involves risks. You should carefully consider the risks described below before making an investment decision. You should also carefully consider all of the information contained in this Offering Circular, including our financial statements and related notes. You should note that we are governed in the ROC by a legal and regulatory environment that in some material respects may be different from that prevailing in other countries.

Risks Relating to Our Industry and Our Business

We operate in a cyclical industry, and fluctuations in demand for our products or a market decline in our industry could have a material adverse effect on our results of operations.

The personal computing, gaming, component, and AI infrastructure industries in which we operate are cyclical and have experienced significant downturns in the past, characterized by diminished product demand, overcapacity, elevated inventory levels, and accelerated erosion of average selling prices, as well as rapid technological change and evolving technical standards. From time to time, these and other factors, together with changes in general economic conditions, may cause us to experience significant declines in the average selling prices for our products. The server and AI infrastructure market has also experienced fluctuating demand due to the rapid pace of technological change and the emergence of new applications such as cloud AI computing and edge computing, and any slowdown in cloud computing or AI infrastructure spending may affect demand for our products. If we are unable to manage the risks related to the volatility of the computer and AI infrastructure markets, we may continue to experience declines in our profitability that are primarily related to industry conditions and not to our products, and our business, financial condition and results of operations could be materially and adversely affected.

Our operating results are dependent on a variety of factors in the industry in which we operate, any of which could materially affect our sales revenues and/or profitability or lead to higher variability of our quarterly or annual operating results.

Our operating results are affected by a wide variety of factors that could materially affect our sales revenues and/or profitability or lead to higher variability of quarterly or annual operating results. These factors include, among others:

- economic and market conditions in the global PC, gaming, and AI-enabled computing markets;
- seasonality;
- customer demand and preferences and market acceptance of our products;
- new product introductions;
- the production capabilities of our outsourced contract manufacturers and original design manufacturer ("**ODM**") partners;
- product obsolescence;
- component price fluctuation and availability;
- product mix and design cycle duration;
- our ability to manage product transitions, inventory levels and manufacturing processes;
- our ability to distribute products quickly and efficiently to meet customer demands;
- our expansion plans, including the continued build-out of our AI server and AI infrastructure business;
- capital requirements and the availability of funding;
- timing of orders and delays in shipments to customers;
- volume of orders relative to our suppliers' production capacity;

- our ability to obtain adequate testing equipment on a timely basis; the availability of key personnel and skilled employees;

- international political or economic events or developments, including U.S.-China trade tensions, export controls and tariffs affecting semiconductors and other technology products, and geopolitical tensions relating to Taiwan; and

- currency fluctuations.

Unfavorable changes in these or other factors could materially and adversely affect our results of operations or financial condition.

We may not be able to mitigate the effects of price declines over the life cycles of our products.

All of our product markets—spanning notebook PCs, desktops, motherboards, graphics cards, and our newer AI server and AI infrastructure offerings—are characterized by rapidly changing technology, including advances in artificial intelligence hardware and software, evolving industry standards, and the frequent introduction of new products and enhancements. As a result, the price of our products tends to decline over the product life cycle, reflecting product obsolescence, decreased costs of input components, decreased demand and increased competition as more manufacturers are able to produce similar products in large numbers.

We may take additional initiatives to maintain the profitability of our products and mitigate the effects of price reductions, including improving our product mix, putting greater emphasis on different markets, reducing component costs, reducing inventory carrying costs, lowering operating costs, improving inventory management, increasing product differentiation, and diversifying our product supply sources to decrease supply cost and procurement risk. However, there can be no assurance that these initiatives will be effective in stimulating higher levels of sales, will reduce costs to offset the adverse effects of pricing pressure on our gross margins or will not have a material adverse effect on our results of operations or financial condition.

Failure to enhance or expand our product offerings or the inability to manage our product transitions may adversely affect our sales revenues.

We may not be able to develop the right kind of products that reflect rapid technological advances, including the ongoing industry-wide transition toward AI-native computing, or rapidly changing customer preferences. To maintain our competitive position, we must continue to enhance our existing products—including our ZenBook, VivoBook, ROG, ExpertBook, and ProArt lines—while developing new products such as our cross-platform lineup of Copilot+ PCs that embed dedicated neural processing units for on-device AI inference. To do so, we must develop and incorporate into our product line new hardware, software, communications, artificial intelligence and peripheral technologies, and we must develop or obtain the necessary intellectual property and invest significant resources, often in advance of confirmed market demand. Our product strategy focuses in part on marketing products that comply with evolving industry performance standards, meet customer quality expectations while being priced affordably to appeal to a broad customer base. Because of the pace of technological advances in the PC, gaming, and AI infrastructure industries, we must introduce on a timely basis new products that offer customers the latest competitive technologies, but at the same time, we must prudently manage the marketing cycles of our existing product portfolio. There can be no assurance that we will be able to deliver commercial quantities of new products in a timely manner or that new products introduced by us, including our AI PCs and AI server and infrastructure offerings, will achieve market acceptance.

The risks associated with transitioning to new products include but are not limited to: costs associated with introducing new products or upgrading existing products, potential defects in new products, the reduction in the price of existing products, existing products becoming obsolete, the failure to align our supply chain and inventory with customer demands, and our competitors introducing the right type and volume of products before we do. Any of these risks could adversely and materially affect our financial condition and results of operations.

Our sales revenues by product, customer, and geographic sales mix, as well as seasonal sales trends may adversely affect our business.

Our sales revenues, gross margin and profit vary among our products, customer groups and geographic markets and therefore may be different in future periods than our current results. We generate sales across geographically diversified markets, including Asia, the Americas, and Europe. In addition, our business is subject to certain seasonal sales trends. For example, sales are typically stronger in the third and fourth fiscal quarters,

but often weaker in the first and second fiscal quarters. As a result of these factors, our overall profitability for any particular period may be adversely affected by the mix of products, customers, and geographic markets for that period, as well as by seasonal trends.

Uncertain or weak economic conditions or financial instability could have a material and adverse impact on our sales revenues, growth and profitability.

Our sales revenues, growth and profitability may be materially and adversely affected by uncertain or weak economic conditions or financial instability, including inflationary pressures, rising interest rates, volatility in the capital markets, instability in the banking system, or a slowdown in global information technology spending, the insolvency of our key suppliers, the inability of our customers to obtain financing or credit, and reduced corporate and consumer capital expenditure budgets, all of which may lead to weak or fluctuating demand for PCs, gaming products, components, and AI infrastructure solutions in the markets in which we compete and operate. If such market volatility and disruption continue or escalate into a systemic financial crisis or global economic downturn, we could experience a number of adverse follow-on effects, including decreased customer demand, delays in the payment of accounts receivable to us, and insolvency of our suppliers or customers. In addition, sufficient external financing may not be available to us on a timely basis, on commercially reasonable terms, or at all, and if such financing is not available when needed to meet our capital requirements, we may be forced to curtail our expansion, modify our plans, or delay the deployment of new or expanded products or services until we obtain such financing. Unfavorable economic conditions may also cause us to incur restructuring costs and cause our income and expenses to vary materially from expectations depending on changes in interest rates, borrowing costs, currency exchange rates, hedging expenses and the fair value of derivative instruments.

Global or regional economic, political and social conditions, as well as geopolitical uncertainty, export controls, and sanctions, could adversely affect our business and operating results.

External factors such as potential terrorist attacks, acts of war, financial crises or geopolitical and social turmoil in the regions that serve as key markets for our products, such as the United States, China, Europe, Japan and Taiwan, or elsewhere, could significantly and adversely affect our business and operating results in ways that cannot be predicted. Geopolitical risk has increased over the past few years as a result of trade tensions between the United States and China, the Israel-Hamas war, the conflict between Russia and Ukraine, the conflict between the United States and Iran, and the United Kingdom's official exit from the European Union ("**Brexit**"). These uncertainties could make it difficult for our customers and us to accurately plan future business activities. In addition, the uncertain nature, magnitude and duration of hostilities stemming from the conflict in Ukraine, including the potential effects of sanctions, retaliatory cyber-attacks on the world economy and markets, and potential shipping delays, have contributed to increased market volatility and uncertainty, which could have an adverse impact on macroeconomic factors that affect our business. The United States and several countries in the North Atlantic Treaty Organization have imposed sanctions on Russia, in response to which the Russian government has designated a list of countries and territories as taking "unfriendly actions" against Russia, including, among others, Taiwan, and corporate dealings with companies and individuals from the designated countries and territories are subject to approval by a Russian government commission. Recent developments in the Middle East, including military actions involving Iran and the closure of the Strait of Hormuz, have further increased geopolitical uncertainty and instability in the region. Further escalation, retaliation or expansion of any of these hostilities could contribute to heightened volatility in global energy supplies and prices and in global political, economic and financial conditions, any of which could materially and adversely affect our results of operations.

The trade war between the United States and China has resulted in volatility in the financial markets around the world. Uncertainties over U.S. Federal Reserve's decision to reduce quantitative tightening or lower interest rate in response to underlying economic conditions, inflationary pressure, energy costs, consumer confidence, employment rates, geopolitical issues, etc., could result in adverse market conditions. Potential recession or a hard landing may restrict our ability to access capital or financing on favorable terms due to limited credit and liquidity availability. Any of these developments may have a material adverse effect on our results of operations, financial condition and prospects.

We are subject to export control and sanctions laws and regulations in the U.S. and other jurisdictions. Export control and sanctions laws are constantly evolving, and new persons, entities, regions and jurisdictions are regularly added to restricted lists. Furthermore, new requirements or restrictions could come into effect which might increase the scrutiny on our business or raise questions regarding the compliance of one or more of our business activities with applicable sanctions and/or export control laws. We cannot provide any assurance that our business is, or will remain, free of sanctions or export control risk in the U.S. or any other jurisdiction. Any

allegation or determination by a governmental or regulatory authority that any of our activities constitutes a violation of applicable sanctions and/or export control laws could materially adversely affect our business and reputation. We may be subject to inquiries or investigation for not having fully complied, or in future not fully complying, with export control and economic and trade sanction laws and regulations, which could subject us to fines, enforcement actions, regulatory sanctions, additional compliance requirements, increased regulatory scrutiny of our business, or other penalties levied by government authorities and damages to our reputation, all of which may materially adversely affect our business, results of operations and financial condition. In addition, we could be held liable for the improper conduct of our employees, agents, contractors or other third parties acting on our behalf, even if we did not authorize or have actual knowledge of such conduct. If we, or those acting on our behalf, are found to have violated applicable sanctions and/or export control laws, we could be subject to significant fines, penalties, injunctions on future conduct, litigation and reputational harm, any of which could have a material adverse effect on our business, financial condition and results of operations.

In addition, the United States has taken efforts to limit U.S. investment in China. On October 28, 2024, the U.S. Department of the Treasury issued a final rule to prohibit U.S. investment in Chinese companies active in developing certain national security technologies (the "Outbound Investment Rule"). The Outbound Investment Rule targets investments involving persons and entities associated with "countries of concern," a designation currently limited to China. In effect since January 2025, the Outbound Investment Rule imposes investment prohibitions and notification requirements on a range of investments in companies engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum technologies, and (iii) artificial intelligence systems. Persons from countries of concern engaged in these activities are defined as "covered foreign persons." Investments by U.S. persons subject to the Outbound Investment Rule include the acquisition of equity or a contingent equity interest, the provision of certain debt financing, the conversion of contingent equity interest into equity interest, involvement in a greenfield or brownfield investment, entrance into a joint venture, and the acquisition of a limited partner interest in non-U.S. pooled investment fund. Importantly, the Outbound Investment Rule excludes some investments from the scope of covered transactions, including those in publicly traded securities listed on a national stock exchange. U.S. persons' acquisitions of publicly traded securities will therefore be exempted from the scope of covered transactions under the Outbound Investment Rule. We believe we are not a "covered foreign person" as defined in the Outbound Investment Rule. However, if we were to be deemed a covered foreign person due to changes in our business operations or amendments to relevant laws and regulations, our ability to raise capital could be negatively affected. If we were in the future deemed to be a covered foreign person at the time a U.S. person (as defined under the Outbound Investment Rule) holding the Bonds elects to convert their Bonds, the U.S. person could be subject to the prohibition or notification requirements under the Outbound Investment Rule. Therefore, in such an event, holders of the Bonds may not be able to convert their Bonds into Common Shares or may be required to make a notification to the U.S. Department of the Treasury upon such conversion of the Bonds in the future. Investors should exercise caution on the potential investment restrictions and compliance obligations that may result from such changes in our business or relevant laws and regulations in the future.

Our reliance on third party suppliers for products and components could harm our business by adversely affecting product quality, specification, delivery, reliability and cost.

Our business relies heavily upon outsourced manufacturers such as OEMs and ODMs to manufacture our products and is therefore dependent upon the continuing operations of those outsourced manufacturers to fulfill demand for our products, including PCs. While we will attempt to ensure the quality and reliability of our outsourcing suppliers, there can be no assurance that potential or existing outsourcing suppliers will qualify or continue to qualify for our certification of suppliers and outsourced products, our outsourcing suppliers will be able to modify and manufacture products to meet our specifications or our outsourced products will be free of defects. Defective parts and products from outsourcing suppliers could reduce our product reliability and harm our reputation and brands.

There can be no assurance that the delivery of outsourced products will not incur delays or that our outsourcing suppliers will have sufficient logistic capabilities to make deliveries directly from their manufacturing facilities to our customers. If our outsourcing suppliers are unable to quickly adjust their operation or financial condition in response to changes to the nature or volume of orders, there may be shortages or delays in their delivery of our outsourced products. If shortages or delays persist, the price of these components may increase and we may be exposed to quality issues or the components may not be available at all. We may not be able to secure enough components at reasonable prices or of acceptable quality to produce products or provide services in a timely manner in the quantities or according to the specifications needed. Accordingly, our sales revenues and gross margin could suffer as we could lose time-sensitive sales, incur additional freight costs or be unable to pass on price increases to our customers.

If we cannot adequately address supply issues, we might have to reengineer some products or service offerings, resulting in further costs and delays and potentially loss in market share.

In addition, volatility in the cost of raw materials used in the manufacture of our products has, in recent years, impacted our manufacturing costs, and regional tensions or logistics restrictions affecting our supply chain have created uncertainty regarding the timing of shipments, which has affected, and may continue to affect, our shipment momentum and sales.

Failure to procure components and products in a timely and reliable manner from single source or limited-source suppliers could have an adverse and material impact on our business operations.

Our production process requires certain software and quality components that are licensed and procured from single-source or limited-source suppliers. Reliance on single-source or limited-source suppliers generally involves several risks, including the possibility of defective parts, component shortages, increases in component costs and reduced control over delivery schedules, any or all of which could adversely affect our financial results. The lack of timely availability and reliable supply of components from these suppliers could adversely affect our business. Where alternative sources are available, qualification of the alternative suppliers and establishment of reliable supply schedules from such sources may result in delays and could adversely affect our results of operations.

We occasionally experience delays in receiving certain components, which can cause delays in the shipment of some products to our customers. In addition, we occasionally experience quality problems with certain defective components, which can affect the reliability and reputation of our products and brands. There can be no assurance that we will be able to continue to obtain additional supplies of reliable components in a timely or cost-effective manner.

Failure to forecast customer demand or industry supply accurately has led, and could continue to lead, to inventory risk, including losses on inventories.

We order components and build inventory in advance of customer orders for our products. Demand for our products is affected by a number of factors, including market acceptance of our products, competing technologies and competitor product introductions, changes in general economic and business conditions, rapidly changing technology and customer requirements—including demand for AI-enabled and cloud-related products—new product introductions and transitions that reduce demand for existing products, failures in supply chain management, and government actions or changes in governmental policies. We have experienced, and expect to continue to experience, differences between actual and forecasted demand, which have resulted in both product shortages and excess inventory. If we maintain higher inventory levels than expected when product prices decline, we may suffer inventory losses, and frequent new product introductions in our industry can result in the obsolescence of existing inventory, requiring us to value inventory at the lower of cost or net realizable value and to recognize related charges. Any such charges could have a material adverse effect on our results of operations and financial condition.

We may be subject to liability in connection with industrial accidents at our and our outsourced manufacturers' and ODM partners' manufacturing and assembly facilities.

Our production processes are highly automated and involve the operation of complex tools, equipment, and machinery that are potentially dangerous. Industrial accidents resulting in personal injury or death may occur at our own facilities or at the facilities of our outsourced manufacturers and ODM partners, whether due to equipment malfunction or other causes. If such an accident were to occur, we could be held liable for resulting personal injuries or deaths and subject to monetary damages, fines, or other penalties, as well as business interruption caused by equipment shutdowns pending government investigation or the implementation of remedial safety measures. Work safety laws imposed by the governments of the jurisdictions in which we or our manufacturing partners operate could also impose compliance costs or reduce the efficiency of our operations, which could materially and adversely affect our business, financial condition and results of operations.

Failure to maintain an effective quality control system, or product quality issues affecting our suppliers, could have a material adverse effect on our business, and we may be subject to product liability claims.

The quality of our products is critical to the success of our business and brands. Our quality control system depends on a number of factors, including the design of our quality control procedures, our quality training programs, and our ability to ensure that our employees and outsourced manufacturing partners adhere to our

quality control policies and guidelines. Our products are complex, and our testing and quality control efforts may not be effective in detecting all defects. If we fail to meet product specifications, our sales orders may be cancelled and products may be returned, which could adversely affect our business, reputation, results of operations, and financial condition. In addition, defects in components supplied by our suppliers or manufactured by our outsourcing partners could lead to malfunctions in our products, and we may face product recalls or product liability claims from our customers or distributors if the use of our products results in bodily injury, property damage, or other loss, regardless of fault. We typically provide multi-year warranties to our customers, including for returning, replacing, and repairing defective products, and while we carry insurance for certain product liability claims, such coverage may be limited, and product liability claims or product failures—even if unsuccessful or unproven—could result in significant monetary damages, substantial legal expenses, and adverse publicity that damages our reputation and customer relationships.

Our insurance coverage may not adequately protect us against certain operating and other hazards, which could have an adverse effect on our business.

We maintain insurance policies that we believe are in line with industry norms, including coverage for property damage to our facilities, equipment, raw materials, and inventories caused by fire and natural disasters such as earthquakes, as well as cargo transportation insurance, product liability insurance, and directors' and officers' liability insurance. However, there can be no assurance that any claim under our insurance policies will be honored in full, on a timely basis, or at all. To the extent that we suffer a loss or damage that is not covered by insurance or that exceeds our insurance coverage, our business, results of operations, and financial condition may be materially and adversely affected. There can also be no assurance that insurance will continue to be available to us on reasonable commercial terms, or at all.

Our inability to attract and retain technical, research and development, management and other personnel, including personnel with artificial intelligence and data center expertise, would jeopardize our operations, ability to develop new products and future expansion plans.

Our business depends on technology, and our in-house research and development capabilities—including our R&D Center and R&D Division, which together comprise a significant portion of our employees worldwide—are central to our ability to compete. Accordingly, our success depends on our ability to attract, retain and motivate highly skilled employees, particularly experienced engineering, technical, artificial intelligence and machine learning, management and other personnel. Without sufficient numbers of skilled employees, our operations would suffer deteriorating production standards and decreasing capacity utilization. Competition for qualified executives, engineering, and technical employees is intense, and replacement of qualified employees is difficult. If we are unable to attract, retain and motivate our technical personnel, our operations and ability to develop new products would be jeopardized and our operating efficiency would deteriorate.

We rely heavily on overseas sales and on maintaining global operations to generate revenue.

Sales to regions outside of Taiwan represented approximately 91% of our total net sales for the year ended December 31, 2025, with Asia as our largest region, followed by Europe and the Americas. We currently maintain close relationships with our retailers and distributors through our global headquarters and offer after-sales support and services worldwide. The success and profitability of our international activities depend on certain factors beyond our control, such as general economic conditions, labor conditions, political stability, the tax laws, import duties, tariffs, export controls and foreign exchange controls of the countries in which we sell our products, and the political and economic relationships between Taiwan and these countries, including the United States and the People's Republic of China. Offering our products in an increasing number of geographic locations and through a variety of distribution channels requires us to increase our geographic presence and to provide increased levels of sales and support for our customers. There can be no assurance, however, that this will be effective or that the requisite service and support to ensure the success of our operations in new locations or through new channels can be achieved in a cost-effective manner.

If we fail to manage the distribution of our products properly, our sales revenues, gross margin and profitability could suffer.

We rely on our distributors to distribute our products to our customers. Successfully managing our distributors to reach various potential end market customer segments for our products and services is a challenging process. Since each distribution method, whether indirect sales through distributors or direct sales, has distinct risks and financial impact, our failure to implement the most advantageous balance in the delivery model for our products and services could adversely affect our sales revenues and gross margins and therefore our profitability.

If we are unable to control or manage our costs and expenses, our profitability may suffer and we may become less competitive.

While we are focused on managing our costs, we may not be successful in managing or controlling costs such as our operating expenses, total procurement costs, research and development costs, and product design costs, including the substantial capital investment required to develop and scale our AI server and AI infrastructure offerings. As a result, we may not achieve our expected cost savings or return on investment in the time anticipated, or at all. Consequently, we may become less competitive and our results of operations and profitability may be materially and adversely affected.

Our business depends on intellectual property, and intellectual property litigation and disputes may adversely affect our business.

Our success will depend in part on our ability to protect our intellectual property rights and to operate without infringing on the intellectual property rights of others. As of June 30, 2026, we owned a substantial number of patents worldwide and had numerous pending patent applications, and we rely on a combination of patents, trademarks, and contractual provisions to establish and protect our intellectual property rights in our products. For a more complete description of our intellectual property, see "Business—Intellectual Property." We cannot assure you that the steps we take to protect our intellectual property will adequately protect our proprietary rights, that others will not independently develop or otherwise acquire equivalent or superior technology, or that we can maintain such technology as trade secrets. In addition, other parties may hold or receive patents that could hinder or prevent the sale of our products or require us to obtain licenses on such technology, which may not be available on acceptable terms or at all.

From time to time, companies and individuals assert patent, copyright, trademark and other intellectual property rights to technologies or marks that are important to the computer, gaming, and AI infrastructure industries and our business. We evaluate each claim relating to our products and, if appropriate, seek a license to use the protected technology. There can be no assurance, however, that we will be able to obtain licenses to the intellectual property of third parties on commercially reasonable terms, or at all. In addition, we could be at a disadvantage if our competitors obtain licenses for protected technologies on more favorable terms than we do. If we or our suppliers are unable to license protected technology used in our products, we could be prohibited from marketing those products or may have to market products without desirable features. We could also incur substantial costs of redesigning our products or of defending any legal action taken against us.

We are involved in some proceedings that, if the outcome is adverse to us, might materially and adversely affect our financial condition or results of operation.

We are parties to various claims, suits, investigations, and legal proceedings that arise from time to time in the ordinary course of our business and that are not yet resolved. See "Business—Legal Proceedings." Additional legal claims or regulatory matters may arise in the future. The unpredictable and time-consuming nature of litigation is disruptive to our business and an adverse outcome in legal proceedings could affect our business and cash flows. In addition, our business, operating results and financial condition could be adversely affected if any infringement or other intellectual property claim made against us by any third party is successful, or if we fail to develop non-infringing technology or license the proprietary rights on commercially reasonable terms and conditions.

We rely on certain key personnel and failure to attract, retain or replace such personnel could adversely affect our business.

Our success depends to a significant extent upon, among other factors, the continued service of our key senior executives and research and development, engineering, marketing, sales, production, support and other personnel and on our ability to continue to attract, retain and motivate qualified personnel. The loss of the services from or departure of any of our key personnel without adequate replacement or the inability to attract new qualified personnel could have a material adverse effect on our results of operations or financial condition. We do not maintain insurance with respect to the loss of any of our key personnel.

Certain members of our current and former senior management have significant influence over our management and policies.

As of March 31, 2026, our senior management, including our directors and executive officers, beneficially owned approximately 5.5% of our total issued and outstanding Common Shares. Our current senior

management therefore have the power as shareholders to exercise significant influence over our management and policies, including with respect to the election of directors, approval of significant corporate transactions, and other matters requiring shareholder approval. For information relating to the Common Shares held by our senior management, see "Management—Executive Officers."

Fluctuations in exchange rates could adversely affect our business.

Historically, a significant majority of our sales revenues were denominated in U.S. dollars and Euros, while a substantial portion of our costs of sales and operating expenses were denominated in U.S. dollars. Given that our financial statements are expressed in NT dollars, changes in the rate of exchange between these currencies and the NT dollar will affect our gross profits and operating margins and could result in exchange losses. Depreciation of the NT dollar against the Euro and U.S. dollar generally results in foreign exchange gains for because a large portion of our sales revenues is denominated in Euros and U.S. dollars. The impact of future exchange rate fluctuations on our results of operations cannot be accurately predicted. From time to time, we have engaged in, and may continue to engage in, certain exchange rate hedging activities. The effectiveness of our hedges depends on our ability to accurately forecast future cash flows, which is particularly difficult during periods of uncertain demand for our products and services and high exchange rate volatility. As a result, we could incur significant losses from our hedging activities if our forecasts are incorrect. In addition, our hedging activities may be ineffective or may not offset any adverse financial impact resulting from currency variations. Gains or losses associated with hedging activities may also impact our sales revenues and to a lesser extent our cost of sales and financial condition.

We may undertake mergers, acquisitions, investments, or strategic partnerships that may pose risks to our business.

We have sought and may continue to seek growth through mergers and acquisitions of, investments in, or strategic partnerships with companies with similar corporate cultures to generate synergies or help increase our brand awareness. Mergers, acquisitions, investments, or strategic partnerships that we have entered into, and may enter into in the future, entail a number of risks that could materially and adversely affect our business, operating and financial results, including, among others: problems integrating the acquired operations, technologies or products into our existing business and products; diversion of management's time and attention from our core business; conflicts with management at acquired companies or joint venture or strategic partners; adverse effects on our existing business relationships with customers; need for financial resources above our planned investment levels; failures in realizing anticipated synergies; difficulties in retaining business relationships with suppliers and customers of the acquired company; risks associated with entering markets in which we have more limited experience; potential loss of key employees of the acquired company; and potential -write-offs of acquired assets. Our failure to address these risks successfully may have a material adverse effect on our financial condition and results of operations.

Volatility in the debt and equity capital markets could affect our ability to access capital.

While we use cash flows generated from operations to support our business and future expansion, we may need external funding from time to time. Our ability to obtain sufficient external funding in a timely manner depends on many factors, including conditions in the securities and credit markets and economic conditions generally, our future operational and financial performance, tightening lending standards, and changes in financial services regulations. Our failure to access the capital markets could unfavorably affect our sales revenue, profitability, and cash flows.

Our lending, endorsement, guarantee, and derivative transaction activities expose us to counterparty and other financial risks.

In the ordinary course of our business, we engage in lending funds to third parties, providing endorsements and guarantees, and entering into derivative transactions, in each case pursuant to our internal policies. Although we seek to execute these activities with prudent risk controls, our exposure under such lending, endorsement, guarantee, and derivative arrangements subjects us to counterparty credit risk, market risk, and other financial risks. If any counterparty to these transactions defaults, becomes insolvent, or otherwise fails to perform its obligations to us, or if our derivative transactions do not perform as expected, we could incur losses that adversely affect our financial condition and results of operations.

Our stock price has historically fluctuated and may continue to fluctuate, which may make future prices of our stock difficult to predict.

Our stock price, like that of other technology companies, can be volatile. Some of the factors that could affect our stock price include but are not limited to:

- speculation in the press or investment community about, or actual changes in, our business, strategic position, market share, organizational structure, operations, financial condition, financial reporting and results, effectiveness of cost cutting efforts, value or liquidity of our investments, exposure to market volatility, prospects, business combination or investment transactions, or executive team;

- the announcement of new products, services, technological innovations or acquisitions by us or our competitors;

- quarterly increases or decreases in sales revenues, gross margin, earnings or cash flow from operations, changes in estimates by the investment community or guidance provided by us, and variations between actual and estimated financial results;

- announcements of actual and anticipated financial results by our competitors and other companies in the industry in which we operate; and

- the timing and amount of share repurchases by us.

General or industry specific market conditions or stock market performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also may affect the price of our Common Shares. For these reasons, investors should not rely on recent trends to predict future stock prices, financial condition, results of operations or cash flows. In addition, following periods of volatility in a company's securities, securities class action litigation against a company is sometimes instituted. If instituted against us, this type of litigation could result in substantial costs and the diversion of management time and resources.

Business disruptions could seriously harm our future sales revenues and financial condition and increase our costs and expenses.

Our operations could be subject to earthquakes, power shortages, telecommunications failures, cyberattacks and other breaches of data security, infrastructure disruptions, water shortages, tsunamis, floods, hurricanes, typhoons, fires, extreme weather and other climate-related events, military actions or heightened geopolitical tensions (including tensions in the Taiwan Strait and between the United States and the People's Republic of China), economic volatility, business uncertainties, labor disruptions, environmental changes, political disruptions, public health concerns or pandemics, and other natural or manmade disasters or business interruptions. The occurrence of any of these business disruptions could seriously harm our sales revenues and financial condition and increase our costs and expenses. The ultimate impact on us and our significant suppliers is unknown.

Our business may be adversely affected by changes in environmental and safety laws.

Our businesses are regulated by environmental and safety rules and regulations. Our product design and procurement operations must comply with new and future requirements relating to the materials composition, energy efficiency and collection, recycling, treatment, transportation and disposal of our electronics products, including restrictions on mercury, lead, cadmium, lithium metal, lithium ion and other substances. If we fail to comply with applicable rules and regulations regarding the transportation, use and sale of such regulated substances, we could be subject to liability. The costs and timing of costs under environmental and safety laws are difficult to predict, but could have an unfavorable impact on our business.

Climate-related transition risks, including evolving carbon pricing and border adjustment mechanisms, could increase our costs and affect customer demand.

We have identified climate-related transition risks that could affect our business over varying time horizons, including China's national carbon market, which we expect to affect our operating costs and product pricing over the long term, and the European Union's Carbon Border Adjustment Mechanism, which we expect to affect customer purchasing behavior over the medium term. As carbon pricing regimes, border adjustment mechanisms, and other climate-related regulatory frameworks continue to evolve and expand across the jurisdictions in which we operate and sell our products, our compliance costs may increase, our product pricing

and margins may be affected, and demand for our products among carbon-conscious customers may shift, any of which could have an adverse effect on our business, financial condition, and results of operations.

Global semiconductor and component supply chain disruptions could constrain our ability to manufacture and deliver our products.

Our products, including our notebook PCs, motherboards, graphics cards, and AI server and infrastructure systems, depend on the availability of advanced semiconductors, memory, chipsets, logic ICs, printed circuit boards, and display panels sourced from a concentrated group of domestic and international suppliers and foundries. The semiconductor industry has experienced significant supply and demand imbalances in recent years, including shortages of advanced processors and AI-capable graphics processing units driven by surging global demand for AI infrastructure, which have led to allocation constraints, extended lead times, and higher component costs across the industry. If we are unable to secure sufficient semiconductor supply on a timely basis or at acceptable prices, whether due to industry-wide shortages, foundry capacity constraints, geopolitical restrictions, or competing demand from larger customers, our ability to manufacture and ship our products, including our Copilot+ PCs and AI infrastructure offerings, in the volumes and on the timeline required by our customers could be materially impaired.

Cybersecurity incidents, data breaches, and failures to protect the security of our products and information systems could harm our business and reputation.

We and our third-party suppliers, ODM partners, and service providers rely on information technology systems and networks to design, manufacture, market, sell, and support our products, including AI-enabled products that increasingly rely on connected services and on-device processing of user data. Our products, including our neural-processing-unit-enabled Copilot+ PCs, AIoT and edge computing devices, and AI server and infrastructure systems, may also be targets of cyberattacks or contain vulnerabilities that could be exploited by third parties. The proliferation of generative artificial intelligence tools has enabled increasingly sophisticated cyberattack techniques, and, together with escalating geopolitical tensions, has elevated cybersecurity from an operational concern into what we view as a defining test of enterprise resilience. A significant cybersecurity incident, data breach, or failure to adequately protect the security and integrity of our products, corporate systems, or customer or employee data—whether resulting from technical vulnerabilities or from human factors such as employee or supplier error—could result in loss of or unauthorized access to sensitive information, disruption to our operations and supply chain, remediation costs, regulatory investigations or penalties under evolving global data privacy and cybersecurity laws, litigation, and reputational harm, any of which could materially and adversely affect our business, financial condition, and results of operations.

Risks Relating to the ROC

The value of our Common Shares and the Bonds may be adversely affected by the volatility of the securities market in Taiwan.

The securities market in Taiwan is smaller and more volatile than the securities markets in the United States and in certain European and other countries. The Taiwan Stock Exchange has experienced substantial fluctuations in the prices and volumes of sales of listed securities and has shown particular volatility following certain political events, market events and scandals, and there are currently limits on the range of daily price movements on the Taiwan Stock Exchange. The Taiwan Stock Exchange has also experienced problems such as market manipulation, insider trading and payment defaults. The recurrence of these or similar problems, and restrictions on price movements, could adversely affect the market price and liquidity of securities listed on the Taiwan Stock Exchange, including our Common Shares. In response to past declines and volatility in the Taiwan securities market, and in line with similar activities by other countries in Asia, the ROC government formed the National Stabilization Fund, and other funds associated with the ROC government have, from time to time, purchased shares listed on the Taiwan Stock Exchange to support the Taiwan securities market. Market activity by government entities, or the perception that such activity is taking place or has ceased, may cause fluctuations in the market price and liquidity of our Common Shares and the Bonds.

Political developments and any deterioration in relations between Taiwan and mainland China could adversely affect our business and the market value of the Common Shares and the Bonds.

Our registered office, principal executive offices, and substantial research and development operations are located in Taiwan, and our Common Shares are listed on the Taiwan Stock Exchange. Accordingly, our business, financial condition, and results of operations, and the market price of our Common Shares and the Bonds,

may be affected by changes in ROC governmental policies, taxation, inflation, interest rates, social instability, and other political, economic, diplomatic, or social developments in or affecting Taiwan that are outside our control. Taiwan has a unique international political status, and both the government of the People's Republic of China and the government of Taiwan assert sovereignty over Taiwan. We cannot predict the effect of any future developments in cross-strait relations on general economic conditions in Taiwan or on our business, financial condition, and results of operations.

The imposition of foreign exchange restrictions may adversely affect the ability of foreign investors to acquire our Common Shares or the Bonds, or to repatriate interest, dividends or sale proceeds from those securities.

The ROC government may impose foreign exchange restrictions in certain situations, including where there are sudden fluctuations in interest rates or exchange rates, where the ROC government experiences extreme difficulty in stabilizing its balance of payments, or where there are substantial disturbances in the financial and capital markets in Taiwan. These restrictions may require foreign investors to obtain the ROC government's approval before converting foreign currency to New Taiwan Dollar (or vice versa) for any inward or outward remittance of funds in connection with the acquisition of our securities or the repatriation of interest, dividends or proceeds from those securities. There can be no assurance that such restrictions, if imposed, would not adversely affect the secondary market price of the Bonds.

Financial reporting requirements and accounting standards in Taiwan differ from those in other countries.

We are subject to financial reporting requirements in Taiwan that differ in significant respects from those applicable to companies in certain other countries, including the United States. Our audited financial statements are prepared in accordance with ROC generally accepted accounting principles or Taiwan-IFRS, which differ in certain significant respects from generally accepted accounting principles in other countries, such as U.S. GAAP or IFRS as issued by the International Accounting Standards Board, including, but not limited to, the extent that any new or amended standards or interpretations applicable under IFRS may not be timely endorsed and issued into effect by the FSC. The accounting treatment we adopt under applicable ROC accounting standards may cause volatility in our reported revenue and/or profits, and potential investors should consult their own professional advisers to understand these differences and how they may affect the financial information contained in this Offering Circular.

We publish preliminary monthly operating revenue information that is subject to change, and investors should not place undue reliance on it.

As a company listed on the Taiwan Stock Exchange, we are required, as part of our ongoing reporting obligations, to post monthly sales information on the Market Observation Post System. Such information is preliminary and is subject to change upon adjustment and after completion of our normal quarter-end closing process, and it excludes certain expenses and other information necessary to be indicative of our actual financial results for the relevant period. Our actual sales and results of operations could differ materially from the preliminary information posted on the Market Observation Post System, and investors should not place undue reliance on such information.

Taiwan is vulnerable to natural disasters and other events outside of our control, which may disrupt our business operations.

Taiwan is vulnerable to natural disasters and other calamities. Fire, floods, typhoons, earthquakes, power loss and telecommunications failures may disrupt or damage our headquarters, research and development facilities and other operations located in Taiwan, and could cause the loss or corruption of data or malfunctions of software or hardware, in addition to the risks described above under "—Business disruptions could seriously harm our future sales revenues and financial condition and increase our costs and expenses." Taiwan has in the past experienced severe earthquakes that caused significant property damage and loss of life. The occurrence of earthquakes and other natural disasters is unpredictable, and a major earthquake or other disruptive event could severely disrupt our normal business operations and have a material adverse effect on our financial condition and operating results.

You may not be able to enforce judgments of foreign courts against us or our directors and executive officers.

We are a company incorporated under the ROC Company Act. All or substantially all of our directors and executive officers are residents of Taiwan, and a significant portion of our assets and the assets of such persons are located in Taiwan. As a result, it may be difficult for investors to enforce judgments obtained outside Taiwan

against us or such persons in Taiwan, including judgments predicated upon the civil liability provisions of the securities laws of the United States or other jurisdictions. It is also not certain that an action for civil liabilities predicated solely on the United States federal securities laws could be brought in the ROC court.

Remittance out of the ROC of any amount exceeding US$100,000 or its equivalent recovered from enforcing a foreign judgment in the ROC might require foreign exchange approval from the CBC if the amounts recovered in respect of such judgment are denominated in a currency other than NT dollars.

Risks Relating to Ownership of the Bonds and the Common Shares

There are limitations on the Bondholders' ability to exercise conversion rights.

The Bondholders will not be able to exercise conversion during any Closed Period (as defined in "Description of the Bonds"). In addition, under the current ROC laws, regulations and policies, a Mainland China Area Investor (as defined under the Regulations Governing Permission for Investment by Mainland China Area People in Taiwan and other relevant laws of the ROC) is not permitted to convert the Bonds or to register as the Company's shareholder unless (i) it is a qualified domestic institutional investor approved by the competent authority of securities, banking or insurance industry in the PRC ("**QDII**"), (ii) has obtained the approval of the Department of Investment Review of the Ministry of Economic Affairs of the ROC, and/or (iii) otherwise falls within the categories of Mainland China Area Investors permitted under applicable laws and regulations at the time of the conversion application. Any such conversion and registration will be subject to compliance with all relevant legal procedures and regulatory requirements.

There are also limits on the amount remitted to the ROC for investments by QDIIs, separately and jointly. A QDII shall register with the TWSE and obtain QDII Investment I.D. to make investments in the ROC securities market and an eligible agent shall be appointed by a QDII in the ROC to open a securities trading account and a bank account, to pay ROC taxes, remit funds, exercise shareholders' rights and perform such other functions as a QDII may designate. In addition, a custodian of a QDII must apply with the TWSE for the remittance amount of each QDII which cannot exceed US$100 million, the total investment amount of all QDIIs may not exceed US$500 million, and such QDII can only invest in the ROC securities market with the amount approved by the TWSE. Subject to compliance with the foregoing applicable laws and regulations of the ROC, a QDII may convert the Bonds and hold the Common Shares. Accordingly, the qualification criteria for a Mainland China Area Investor to make investment and the investment threshold imposed by the FSC and the TWSE may cause a Bondholder who is a Mainland China Area Investor to be unable to convert the Bonds or to hold or dispose of the Common Shares.

Under current ROC laws, "**Mainland China Area Investor**" or a "**PRC person**" refers to (A) an individual holding a passport issued by the PRC, (B) a resident of any area of China under the effective control or jurisdiction of the PRC (but not including a special administrative region of the PRC such as Hong Kong and Macau, if so excluded by applicable laws of the ROC), (C) any agency or instrumentality of the PRC and (D) any corporation, partnership or other entity organized under the laws of any other jurisdiction outside of the PRC that either (x) is directly or indirectly controlled by, or (y) directly or indirectly has more than 30% of its capital owned by, or beneficially owned by any such person referred to in (A), (B) or (C).

These restrictions and requirements may limit the ability of certain investors to convert the Bonds into Common Shares or to hold or dispose of such Common Shares, and the Bonds therefore may not be a suitable investment for all investors.

Common Shares or any securities that are substantially similar to the Common Shares, including any securities that may be convertible into, or exchangeable for, the Common Shares that are eligible for future sale by the Company or the Company's current shareholders, may adversely affect the value of your investment.

The market prices of the Bonds and the Common Shares could decline as a result of sales of a large number of the Company's Common Shares or any securities that are substantially similar to the Common Shares including, but not limited to any securities that may be convertible into, or exchangeable for, the Common Shares after this Offering or the perception that such sales could occur. In connection with the Offering, the Company agreed to certain lock-ups, subject to certain exceptions, for a period of 90 days after the Closing Date not to offer, pledge, sell, contract to sell or otherwise dispose of any Bonds or Common Shares or any securities convertible into or exercisable or exchangeable for Bonds or Common Shares without the prior written consent of the Initial Purchasers. Nevertheless, the Initial Purchasers may lift or waive all or some of these restrictions at their sole discretion, and when the applicable restrictive period expires, the Company will be able to sell or otherwise

dispose of the Common Shares, subject to legal restrictions. In addition, we cannot assure you that the Company or any of the Company's shareholders will not sell, or otherwise dispose of, the Common Shares. If the Company's shareholders sell a large number of the Common Shares after this Offering, the market price of the Bonds and the Common Shares could be depressed and the value of your investment could substantially decrease. The market prices of the Common Shares and the Bonds could also decline if substantial amounts of the Common Shares or securities convertible or exchangeable into the Common Shares are sold after the closing of this Offering, or if there is a perception that these sales could occur.

A liquid market for the Bonds may not develop, and the market for the Common Shares may not be liquid.

Prior to this Offering, there has been no market for the Bonds. Application has been made to the SGX-ST for the listing of the Bonds on the SGX-ST. An active trading market for the Bonds might not develop.

The Bonds have not been registered under the securities laws of the United States or elsewhere and cannot be publicly offered, sold, pledged or otherwise transferred in any jurisdiction where such registration may be required. The Bonds will not be publicly offered or sold, directly or indirectly, in the ROC. Furthermore, there has been no trading market for the Common Shares outside the ROC, and the only trading market for the Common Shares is the TWSE.

Holders of the Bonds will bear the risk of fluctuations in the price of the Common Shares.

The market price of the Bonds at any time will be affected by fluctuations in the price of the Common Shares. It is impossible to predict how the price of the Common Shares will change. Trading prices of the Common Shares will be influenced by, among other things, our results of operations and political, economic, financial and other factors that affect capital markets generally. Any decline in the price of the Common Shares would adversely affect the market price of the Bonds.

In addition, the Conversion Price is subject to adjustment only in certain circumstances specified in the terms and conditions of the Bonds. Accordingly, events may occur that result in economic dilution to holders of the Bonds without resulting in any adjustment to the Conversion Price.

Fluctuations in the exchange rate between the NT Dollar and the US dollar may have a material adverse effect on the value of the Bonds in US dollar terms.

Although the principal amount of the Bonds is denominated in US dollars, the Common Shares are listed on the TWSE, which quotes and trades the Common Shares in NT dollars. As a result, fluctuations in the exchange rate between the NT Dollar and the US dollar will affect, among other things, the market price of the Bonds and the US dollar equivalent of the Common Shares received upon conversion of the Bonds.

Holders of the Bonds will have no rights as shareholders until they receive the Common Shares upon conversion of the Bonds.

Unless and until the holders of the Bonds receive the Common Shares upon conversion of the Bonds, the holders of the Bonds will have no rights as shareholders, including any voting rights or rights to receive any dividends or other distributions with respect to the Common Shares. Subject to the Indenture and other applicable ROC laws, holders of the Bonds who receive the Common Shares upon the exercise of their conversion rights will be entitled to exercise the rights of shareholders only as to actions for which the applicable record date occurs after the Conversion Date.

Holders of the Bonds are subject to government-imposed requirements of appointing a tax guarantor and local agent in the ROC.

Under current ROC laws, a non-ROC converting Holder who is not a Mainland China Area Investor, before exercising the conversion right, is required to register with the TWSE for making investments in the ROC securities market. Such non-ROC converting Holder is also required to appoint a local agent in Taiwan which meets the qualifications that are set from time to time by the FSC to open a securities trading account with a local brokerage firm and a bank account to remit funds, pay taxes, exercise shareholders' rights and perform such other functions as may be designated by such Holder. In addition, such non-ROC converting Holder must also appoint a local bank approved by the FSC to act as custodian in Taiwan to hold the securities and any cash proceeds for safekeeping, to make confirmation and settlement of trades and to report all relevant information. Furthermore, such non-ROC converting Holder, when converting the Bonds or registering as the Company's shareholder, is required to appoint an agent, referred to as a Tax Guarantor, in Taiwan which meets the qualifications that are set

from time to time by the Ministry of Finance of the ROC for filing tax returns and making tax payments on their behalf. Without meeting such requirements, such non-ROC converting Holder would not be able to hold or sell or otherwise transfer Common Shares into which the Bonds may be converted on the TWSE or otherwise. We cannot assure that such non-ROC converting Holder will be able to appoint and obtain approval for a tax guarantor in a timely manner, if at all. For more details, see "Appendix B: Foreign Investment and Exchange Controls in the ROC" in this Offering Circular.

Holders of the Bonds may be subject to the income tax imposed by the ROC when they sell the Common Shares delivered upon conversion of the Bonds.

As used in this section, a "**Non-ROC Resident Individual**" is a foreign national individual who owns the Bonds or the Common Shares and does not have a domicile in the ROC and is not physically present in the ROC for 183 days or more during any calendar year, and a "**Non-ROC Resident Entity**" is a corporation or a non-corporate body that owns the Bonds or the Common Shares and is organized under the laws of a jurisdiction other than the ROC and has no fixed place of business or business agent in the ROC. "**Non-ROC Resident Individuals**" and "**Non-ROC Resident Entities**" are jointly referred to as "**Non-ROC Holders**".

Capital gains realized from the sale or disposal of the Company's Common Shares are currently exempt from ROC income tax under Article 4-1 of the ROC Income Tax Act. There is no assurance that capital gains realized from the sale or disposal of the Company's Common Shares may be able to be exempted from ROC income tax in the future.

A holder of the Bonds or its designee requesting the conversion of the Bonds may be required to provide certain information to the Company or the Conversion Agent, and failure to provide such information may result in a delay of the conversion.

A holder of the Bonds or its designee requesting the conversion of the Bonds may be required to provide certain information to the Company or the Conversion Agent, including the name and nationality of the person to be registered as the shareholder, the number of Common Shares the person is acquiring and has acquired in the past as a result of the conversion of the Bonds it holds, the Conversion Date, or such other information as may be reasonably required, before such conversion is effected. Under applicable ROC laws, the Company is required to report to the FSC if the person to be registered as a shareholder (i) is a "related party" of the Company as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuer and the ROC Statement of Financial Accounting Standard No. 6 or (ii) will own, immediately following such conversion, more than 5% of the total number of the Common Shares (including the Common Shares issued upon conversion of such Bonds). Failure to provide such information may cause the delay or rejection of such conversion of the Bonds.

The value of the Common Shares and the Bonds may be adversely affected by the volatility of the ROC securities market.

The ROC securities market is smaller and more volatile than the securities markets in the United States and in certain European countries. The TWSE has experienced substantial fluctuations in the prices, and has shown particular volatility following certain political events, market events and scandals. Also, there are currently limits on the range of daily price movements on the TWSE. From time to time, the ROC regulatory agencies have intervened in the ROC stock market during periods of extreme volatility. On June 30, 2026, the TWSE Index closed at 46,125.91. See "Appendix A: The Securities Markets of the ROC". The TWSE has experienced problems such as market manipulation, insider trading and payment defaults. The recurrence of these or similar problems could adversely affect the market price and liquidity of the securities of ROC companies, including the Bonds and the Common Shares, in both domestic and international markets.

In response to major past declines and volatility in the securities markets in the ROC, and in line with similar activities by other countries in Asia, the ROC government formed the National Stabilization Fund in 2000, which has purchased, and may from time to time purchase, shares listed on the TWSE to support these securities markets in the ROC. In addition, other funds associated with the ROC government have in the past purchased, and may from time to time purchase, shares listed on the TWSE or other securities markets in the ROC. In the future, market activity by government entities, or the perception that such activity is taking place, may take place or has ceased, may cause fluctuations in the market prices and liquidity of the Common Shares.

The Company's public shareholders may have more difficulty in protecting their interests than they would as a shareholder of a corporation of other jurisdictions.

The Company's corporate affairs are mainly governed by its Articles of Incorporation and ROC Company Act. The rights of its shareholders to bring shareholders' suits against its management, controlling shareholders or board of directors under ROC laws are much more limited than those of the shareholders of corporations of some other jurisdictions. Therefore, the Company's public shareholders may have greater difficulty in protecting their interests in connection with actions taken by its management, members of board of directors or controlling shareholders than they would as shareholders of corporations of other jurisdictions.

A Bondholder's right to receive payments on the Bonds is structurally subordinated.

The Bonds will be effectively subordinated to any of the Company's secured obligations with respect to assets that secure such obligations. The terms of the Bonds do not prevent the Company from incurring additional debt in the future, and the Company is generally permitted to secure this indebtedness, although the Company's existing financial covenants may restrict the Company's future borrowings. If the Company incurs further indebtedness, its ability to make payments on the Bonds and, if required, to redeem the Bonds may be adversely affected.

The Company may not have the ability to redeem the Bonds in cash if investors exercise the early redemption right upon the occurrence of a change of control, delisting or upon their option in certain circumstances.

The Company may be required by Bondholders to redeem for cash all or some of their Bonds upon a transaction or event constituting a change of control, delisting or upon their option in certain circumstances as described under "Description of the Bonds". The Company may not have sufficient funds or other financial resources to make the required redemption in cash at such time or the ability to arrange necessary financing on acceptable terms. In addition, the Company's ability to redeem the Bonds in cash may be limited by law, by the terms of other agreements relating to the Company's senior debt, and by indebtedness and agreements that the Company may enter into in the future which may replace, supplement or amend its existing or future indebtedness. If the exercise of the redemption right upon the occurrence of a change of control or delisting occurs at a time when the Company is prohibited from redeeming the Bonds, the Company could seek the consent of lenders to redeem the Bonds or could attempt to refinance the borrowings that contain this prohibition. If the Company is not able to obtain consent or refinance these borrowings, the Company could remain prohibited from redeeming the Bonds. The Company's failure to redeem Bonds would constitute an event of default, which might constitute a default under the terms of the Company's other indebtedness at that time.

The Company may call the Bonds prior to maturity if the Company has or will become obligated to pay additional amounts as a result of certain changes in applicable tax law.

The Company may call the Bonds prior to maturity if the Company has or will become obligated to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations. In such an event, each Bondholder will have the right to elect that his Bond(s) shall not be redeemed but, in that case, subject as provided in "*Description of the Bonds— Redemption of the Bonds — Redemption for Taxation Reasons*", no additional amounts will be payable on the electing Bondholder's Bonds after the relevant tax redemption date and payment of all amounts shall be made subject to the deduction of withholding of any taxation required to be withheld or deducted. See "*Description of the Bonds — Redemption of the Bonds — Redemption for Taxation Reasons*".

Bondholders have limited anti-dilution protection.

The conversion price of the Bonds will be adjusted in the event that there is a free distribution, bonus issue, division, consolidation and reclassification, declaration of dividends, rights issue, warrants issue, capital distribution or other adjustment, but only in the circumstances and only to the extent provided in "*Description of the Bonds — Conversion — Adjustments to the Conversion Price*". There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of Common Shares. Events in respect of which no adjustment is made may adversely affect the value of Common Shares and, therefore, adversely affect the value of the Bonds.

Future issues, offers or sales of Common Shares may hurt the value of the Bonds.

The market price of the Bonds and Common Shares could decline as a result of future issues, offers or sales of a large number of Common Shares, or securities convertible into or exercisable for Common Shares, or any securities or financial instruments whose economic value is determined, directly or indirectly, by reference to the market price of Common Shares, or the perception that such issues, offers or sales could occur. If a large number of Common Shares is sold, the market price for the Bonds or Common Shares could be depressed.

The Description of the Bonds and the Indenture contain provisions which may permit their modification without the consent of all investors.

The Description of the Bonds and the Indenture contain provisions permitting defined majorities to bind all Bondholders including Bondholders who did not submit their consent and Bondholders who voted in a manner contrary to the majority, as fully described in "*Description of the Bonds – Meeting of Bondholders; Modification and Waiver*".

The Description of the Bonds and the Indenture also provide that the Issuer together with the Trustee may from time to time and at any time, without the consent of any Bondholder, amend the Indenture for certain matters, as fully described in "*Description of the Bonds – Meeting of Bondholders; Modification and Waiver*".

The Trustee may request that the Bondholders provide indemnity, security and/or prefunding to its satisfaction.

In certain circumstances, the Trustee may (at its sole discretion) request the Bondholders to provide indemnity, security, and/or prefunding to its satisfaction before it takes steps and/or actions and/or institutes proceedings on behalf of Bondholders. The Trustee shall not be obligated to take any such steps and/or actions and/or institute such proceedings if not indemnified, secured, and/or prefunded to its satisfaction. Negotiating and agreeing to any indemnity, security, and/or prefunding can be a lengthy process and may impact when such steps and/or actions can be taken and/or such proceedings can be instituted. The Trustee may not be able to take such steps and/or actions and/or institute proceedings, notwithstanding the provision of indemnity, security or prefunding to it, in breach of the terms of the indenture governing the Bonds and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Bondholders to take such actions directly.

USE OF PROCEEDS

The gross proceeds to be received by the Company from this Offering of the Bonds will be approximately US$1,500.0 million. The Company will use the net proceeds for procurement of raw materials in foreign currencies.

DIVIDENDS AND DIVIDEND POLICY

We were incorporated in Taiwan on April 2, 1990. We paid a cash dividend of NT$17.00 per Common Share for 2023, a cash dividend of NT$34.00 per Common Share for 2024, and a cash dividend of NT$42.00 per Common Share for 2025.

Our dividend payments and distributions are generally governed by the ROC Company Act as well as our Articles of Incorporation. The ROC Company Act and our Articles of Incorporation restrict us from paying a dividend to holders of Common Shares unless we have current or retained earnings (excluding reserves). Our Articles of Incorporation provide that after we pay our income taxes, deduct prior year's losses, set aside any legal and when necessary, any special reserve, the remaining portion of our net income, together with the retained earnings of the previous years, shall be distributed as follows:

(1) no more than 1% shall be distributed to the directors as remuneration;

(2) no less than 1% shall be distributed to the employees (including employees of our affiliated companies) as bonuses; and

(3) all or a portion of the balance shall be distributed as dividend and bonus to our shareholders, among which no less than 10% shall be distributed in cash.

However, our shareholders' meeting may, depending on our actual needs, determine to retain a part or the whole of such remaining portion from distribution. Under ROC laws, cash dividends which are unclaimed for a period of five years from the date of the relevant notice of distribution may no longer be claimed. Such unclaimed cash dividends will, upon expiry of such a five-year period, remain our property. However, stock dividends are not subject to any prescription period under ROC laws. As a result, uncollected stock dividends will remain in our safekeeping and continue to be claimable by the relevant shareholders.

There can be no assurance that we will have the necessary capital, by virtue of receiving dividends from our operating subsidiaries or otherwise, to make dividend payments at any time, or from time to time.

For information relating to ROC withholding taxes payable on dividends, see "*Taxation*."

CAPITALIZATION

The following table sets forth our actual consolidated capitalization as of June 30, 2026, and as adjusted to give effect to this Offering. This table shall be read in conjunction with our unaudited consolidated financial statements as of and for the six months ended June 30, 2025 and 2026, including the notes thereto, included elsewhere in this Offering Circular. There has been no significant change in our financial condition, capitalization or prospects since June 30, 2026. The amounts in US dollars are provided solely for the convenience of the reader.

The as adjusted basis gives effect to the issuance of the Bonds, before deducting underwriting discounts and commissions and other offering expenses.

	As of June 30, 2026			
	Actual		As adjusted	
	NT$	US$	NT$	US$
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
	(in millions)			
Short-term borrowings				
Short-term borrowings	100,741.7	3,163.0	100,741.7	3,163.0
Current portion of long-term borrowings	75.0	2.4	75.0	2.4
Long-term borrowings				
Long-term loans	267.7	8.4	267.7	8.4
Convertible bonds payable	–	–	47,775.0[(1)]	1,500.0[(1)]
Equity				
Share capital – common shares	7,427.6	233.2	7,427.6	233.2
Capital surplus	16,823.3	528.2	16,823.3	528.2
Retained earnings	199,652.8	6,268.5	199,652.8	6,268.5
Other equity interest	77,453.7	2,431.8	77,453.7	2,431.8
Total equity attributable to shareholders of the parent	301,357.4	9,461.7	301,357.4	9,461.7
Non-controlling interests	28,628.2	898.8	28,628.2	898.8
Total equity	329,985.6	10,360.5	329,985.6	10,360.5
Total capitalization[(2)]	330,253.3	10,368.9	378,028.3	11,868.9

(1) Reflecting the issuance of the Bonds of US$1,500,000,000. The bifurcation of the equity component and derivatives embedded in the Bonds is not taken into consideration for this as adjusted basis.

(2) Total capitalization includes total long-term borrowings and total equity.

SELECTED FINANCIAL INFORMATION

The following tables present our selected financial information. The selected financial information as of and for the years ended December 31, 2023 and 2024 and as of and for the years ended December 31, 2024 and 2025 set forth below are qualified by reference to, and should be read in conjunction with, our consolidated financial statements as of and for the years ended December 31, 2023 and 2024 and as of and for the years ended December 31, 2024 and 2025 included elsewhere in this Offering Circular. The selected financial information as of and for the six months ended June 30, 2025 and 2026 set forth below had been derived from our unaudited consolidated financial statements as of and for the six months ended June 30, 2025 and 2026 included elsewhere in this Offering Circular and are qualified by reference to, and should be read in conjunction with, our unaudited consolidated financial statements as of and for the six months ended June 30, 2025 and 2026 included elsewhere in this Offering Circular.

Our consolidated financial statements as of and for the years ended December 31, 2023 and 2024 and as of and for the years ended December 31, 2024 and 2025 have been prepared and presented in accordance with T-IFRSs, which differs from U.S. GAAP, IFRS or the generally accepted accounting principles of certain other countries, including, but not limited to, the extent that any new or amended standards or interpretations applicable under IFRS may not be timely endorsed and issued into effect by the FSC. For information relating to the nature and effect of certain differences between IFRS and T-IFRSs as they relate to us, see Note 3 to our consolidated financial statements as of and for the years ended December 31, 2023 and 2024 and as of and for the years ended December 31, 2024 and 2025, and as of and for the six-month period ended June 30, 2025 and 2026 included elsewhere in this Offering Circular.

Selected Consolidated Statement of Comprehensive Income

	For the Year Ended December 31,				For the Six Months Ended June 30,		
	2023	2024	2025	2025	2025	2026	2026
	NT$	NT$	NT$	US$	NT$	NT$	US$
	(in millions, except for earnings per share)						
				(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
Operating revenue	482,314.4	587,087.1	738,904.8	23,199.5	335,699.5	466,101.7	14,634.3
Operating (costs)	(409,920.3)	(483,616.6)	(627,289.3)	(19,695.1)	(285,130.6)	(390,887.6)	(12,272.8)
Gross profit	72,394.1	103,470.5	111,615.5	3,504.4	50,568.9	75,214.1	2,361.5
Unrealized (gain) loss from sales	10.6	3.6	(1.2)	(0.0)	(6.4)	(2.1)	(0.1)
Gross profit	72,404.7	103,474.1	111,614.3	3,504.4	50,562.5	75,212.0	2,361.4
Operating (expenses)							
Selling (expenses)	(29,186.7)	(35,417.8)	(40,292.3)	(1,265.1)	(18,473.5)	(20,353.9)	(639.1)
General and administrative (expenses)	(9,813.2)	(11,359.3)	(11,388.1)	(357.6)	(5,512.4)	(6,496.1)	(204.0)
Research and development (expenses)	(21,638.9)	(22,036.4)	(24,846.8)	(780.1)	(11,251.9)	(15,112.5)	(474.5)
Expected credit impairment (losses) gains	(601.9)	(5,065.3)	4,569.0	143.5	5,089.8	(379.8)	(11.8)
Total operating (expenses)	(61,240.7)	(73,878.8)	(71,958.2)	(2,259.3)	(30,148.0)	(42,342.3)	(1,329.4)
Operating profit (loss)	11,164.0	29,595.3	39,656.1	1,245.1	20,414.5	32,869.7	1,032.0
Non-operating income and (expenses)							
Interest income	2,855.3	3,461.0	3,872.3	121.6	2,142.7	1,660.0	52.1
Other income	3,133.8	3,203.4	3,328.5	104.5	2,192.7	2,005.4	63.0
Other gains (losses)	4,533.6	4,209.0	5,281.8	165.8	2,070.4	1,411.5	44.3
Finance (costs)	(693.0)	(739.5)	(989.3)	(31.1)	(433.2)	(755.8)	(23.7)
Share of profit (loss) of associates and joint ventures accounted for under equity method	1,099.9	2,461.2	3,858.7	121.2	1,990.7	2,926.0	91.9
Total non-operating income and (expenses)	10,929.6	12,595.1	15,352.0	482.0	7,963.3	7,247.1	227.6
Profit (Loss) before income tax	22,093.6	42,190.4	55,008.1	1,727.1	28,378.0	40,116.8	1,259.6
Income tax (expenses) benefit	(4,203.8)	(7,951.5)	(6,791.4)	(213.2)	(4,268.3)	(8,622.5)	(270.8)
Profit (Loss) for the year/period	17,889.9	34,238.9	48,216.7	1,513.9	24,109.5	31,494.3	988.8
Other comprehensive income (loss) for the year/period	23,267.1	7,207.6	(22,797.5)	(715.8)	(26,262.7)	36,162.9	1,135.4
Total comprehensive income (loss) for the year/period	41,157.0	41,446.5	25,419.2	798.1	(2,153.2)	67,657.2	2,124.2
Profit (loss) attributable to:							
Shareholders of the parent	15,928.3	31,393.9	44,557.8	1,399.0	22,596.3	28,844.9	905.6
Non-controlling interests	1,961.6	2,845.0	3,658.9	114.9	1,513.2	2,649.4	83.2
	17,889.9	34,238.9	48,216.7	1,513.9	24,109.5	31,494.3	988.8

	For the Year Ended December 31,				For the Six Months Ended June 30,		
	2023	2024	2025	2025	2025	2026	2026
	NT$	NT$	NT$	US$	NT$	NT$	US$
	(in millions, except for earnings per share)						
				(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
Total comprehensive income (loss) attributable to:							
Shareholders of the parent	37,940.3	37,948.2	23,076.8	724.5	(476.2)	64,809.5	2,034.8
Non-controlling interests	3,216.7	3,498.3	2,342.4	73.6	(1,677.0)	2,847.7	89.4
	41,157.0	41,446.5	25,419.2	798.1	(2,153.2)	67,657.2	2,124.2
Earnings (loss) per share:							
Basic earnings (loss) per share	21.44	42.27	59.99	1.88	30.42	38.83	1.22
Diluted earnings (loss) per share	21.36	42.03	59.51	1.87	30.27	38.57	1.21

Selected Consolidated Balance Sheet Data

	As of December 31,				As of June 30,	
	2023	2024	2025	2025	2026	2026
	NT$	NT$	NT$	US$	NT$	US$
	(in millions)					
				(unaudited)	*(unaudited)*	*(unaudited)*
Total current assets	307,176.6	379,243.0	453,833.8	14,249.1	654,227.3	20,540.9
Total non-current assets	172,905.2	177,280.7	177,822.9	5,583.1	214,314.7	6,728.9
Total Assets	480,081.8	556,523.7	631,656.7	19,832.2	868,542.0	27,269.8
Total current liabilities	197,552.4	231,867.3	307,347.0	9,649.8	511,107.5	16,047.3
Total non-current liabilities	23,547.4	27,458.9	26,746.5	839.8	27,448.8	861.8
Total liabilities	221,099.8	259,326.2	334,093.5	10,489.6	538,556.3	16,909.1
Total equity	258,982.0	297,197.5	297,563.2	9,342.6	329,985.7	10,360.7
Total Liabilities and Equity	480,081.8	556,523.7	631,656.7	19,832.2	868,542.0	27,269.8

Selected Consolidated Cash Flow Data

	For the Year Ended December 31,				For the Six Months Ended June 30,		
	2023	2024	2025	2025	2025	2026	2026
	NT$	NT$	NT$	US$	NT$	NT$	US$
				(in millions)			
				(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*
Net cash flows provided by (used in) operating activities	52,087.1	8,030.4	30,330.3	952.3	24,444.3	(77,332.2)	(2,428.0)
Net cash flows provided by (used in) investing activities	2,206.4	(3,190.4)	(8,182.9)	(256.9)	(10,412.2)	1,684.3	52.9
Net cash flows provided by (used in) financing activities	(45,240.4)	4,805.7	(23,221.0)	(729.1)	(3,599.9)	69,813.2	2,191.9
Effects due to changes in exchange rate	850.8	5,165.7	(2,885.7)	(90.6)	(11,463.4)	1,912.5	60.1
Net increase (decrease) in cash and cash equivalents	9,903.9	14,811.4	(3,959.3)	(124.3)	(1,031.2)	(3,922.2)	(123.1)
Cash and cash equivalents at beginning of year/period	69,322.7	79,226.6	94,038.0	2,952.5	94,038.0	90,078.7	2,828.2
Cash and cash equivalents at end of year/period	79,226.6	94,038.0	90,078.7	2,828.2	93,006.8	86,156.5	2,705.1

BUSINESS

Overview

Vision

Ubiquitous AI. Incredible Possibilities.

Who We Are

We are a leading global technology powerhouse that designs and sells personal computers, gaming hardware, PC components and AI infrastructure under the ASUS and Republic of Gamers ("**ROG**") brands, holding leading positions globally in motherboards, graphics cards, gaming devices and OLED monitors, and we are among the world's top notebook brands by shipment volume.

Established in 1989 and incorporated in Taiwan in 1990, we have been listed on the Taiwan Stock Exchange since 1996. Since our establishment, we have grown from a motherboard specialist into a full-spectrum AI solutions provider, with a portfolio of end-to-end AI infrastructure solutions spanning from cloud servers to edge AI PCs and emerging physical AI applications.

Our Product Portfolio

Our product portfolio spans the AI computing spectrum, from cloud infrastructure to edge devices and physical AI. We organize our business into four business groups and serve three principal end markets: gaming, consumer and enterprise:

- *System Business Group*: Our System Business Group designs notebooks, desktops and all-in-one PCs across consumer, gaming, commercial and creator lines, including our Copilot+ AI PCs and our Zenbook, Vivobook, ExpertBook, ProArt and ROG families. These products integrate on-device AI compute to bring generative and agentic AI to the personal computer.

- *Open Platform Business Group*: Our Open Platform Business Group supplies motherboards, graphics cards, monitors and gaming peripherals such as mice, keyboards and headsets, anchoring the component and display ecosystem that underpins our broader gaming franchise.

- *Infrastructure Solutions Business Group*: Our Infrastructure Solutions Business Group provides AI servers, storage, networking and end-to-end cloud and edge solutions. Our AI server portfolio spans rack-scale systems and accelerated GPU servers built on leading NVIDIA platforms, led by the flagship ASUS AI POD on the NVIDIA Vera Rubin NVL72 platform and our ESC-series GPU servers on NVIDIA HGX and MGX systems, together with the ASUS AI Factory for turnkey, rack-scale AI deployment. We complement these with AI-optimized storage and advanced liquid-cooling solutions for large-scale AI data centers.

- *AIoT Business Group*: Our AIoT Business Group delivers edge AI and embedded computing for smart manufacturing, smart cities, healthcare and robotics, extending AI into the physical world. Our offerings range from edge AI systems such as the ASUS IoT P1 to sovereign AI smart city solutions and smart medical platforms spanning medical imaging, robotics and telemedicine.

Our Industry Tailwinds

The proliferation of AI is expanding compute demand across the data center, edge devices and, increasingly, physical AI. In the data center, demand for AI infrastructure is entering an explosive growth phase globally, with AI compute capacity still broadly insufficient to meet demand and capital expenditure by major cloud service providers ("**CSPs**") continuing to rise. Beyond the large cloud service providers, there is substantial and broadening demand from Neocloud customers (specialized cloud providers focused on AI compute), from enterprises deploying AI inference, and from governments pursuing sovereign AI, as the growing commercial monetization of AI in turn fuels further investment in AI infrastructure. Within the server market, the spread of enterprise AI inference and agentic AI is broadening demand beyond AI accelerators to general-purpose servers, which increasingly operate in synergy with AI servers, and we expect demand for both to grow in the coming years.

At the edge, this same proliferation of AI is expected to accelerate adoption of AI PCs and other edge AI devices, as the emergence of agentic AI applications drives increasing demand for on-device compute alongside the data center.

Our Competitive Strengths

A Global Technology Powerhouse Delivering Comprehensive AI Infrastructure and Solutions Across the Ubiquitous AI Ecosystem

We are a globally recognized technology platform with market-leading positions across personal computers, gaming products, motherboards, graphics cards and other computing products and solutions, and one of the few global technology companies with extensive exposure across the AI value chain, spanning components, gaming systems, AI PCs, enterprise computing, AI infrastructure and intelligent edge applications. In personal computing, we are anchored by iconic brands, including ASUS and ROG, and are among the world's top notebook brands by shipment volume. We are also a leader in motherboards, demonstrating the scale and enduring strength of our product franchises. Across our broader AI portfolio, our breadth of product offerings provides exposure to multiple waves of AI adoption trends and customer segments, including Cloud AI, Device AI, Edge AI and Physical AI. This diversified business model provides multiple avenues for growth and enhances resilience across technology cycles.

A Rapidly Scaling Enterprise Platform With End-to-End AI Infrastructure Solutions as a Powerful Growth Engine

Our Infrastructure Solutions Business Group offers a comprehensive and rapidly expanding portfolio of AI servers and related infrastructure solutions, including GPU servers, rack-scale systems, advanced liquid-cooled infrastructure, management software and ongoing maintenance. These end-to-end solutions are designed to differentiate us from traditional ODMs that primarily focus on standalone server hardware, and position us to capture the rapidly growing demand for accelerated computing, AI model training and inference, enterprise AI deployment and next-generation data-center infrastructure.

Our longstanding relationships and early-stage technical collaboration with leading technology providers, including but not limited to NVIDIA, AMD and Intel, provide us with valuable insight into their technology roadmaps and enable us to rapidly develop and introduce products incorporating next-generation computing platforms. For example, we were among the first providers to introduce advanced liquid-cooled AI infrastructure solutions based on NVIDIA's Vera Rubin platform.

We focus primarily on regional CSPs, large enterprises and government customers across Asia, Europe and the Americas. We believe these customers represent a significant and underserved market for customized AI infrastructure solutions, as their requirements are often less standardized and require a greater degree of engineering support, systems integration and ongoing customer service than large-scale hyperscaler programs.

Our end-to-end solutions extend our capabilities beyond standalone products by bringing together servers and AI computing infrastructure, networking and connectivity products, device and infrastructure management capabilities, and related deployment and support services, and our ability to offer a broader combination of client devices, components, servers, networking and AI solutions creates opportunities for deeper and longer-term enterprise customer relationships.

This end-to-end approach and our deepening relationships with regional CSPs, large enterprises and government customers have translated into a robust order pipeline and consistent server business growth, with server revenue increasing by approximately 200% year-over-year in the first quarter of 2026 and by approximately 100% year-over-year in the second quarter of 2026.

Leading Premium PC Franchise, Underpinned by ROG Ecosystem and Extensive Portfolio of Differentiated High-performance AI Products

We have established leading positions across premium personal computing and gaming through globally recognized product franchises, including a leading global gaming brand ROG, Zenbook and TUF Gaming. This leadership is built on a broad portfolio of notebooks, desktops, handheld gaming devices, monitors, peripherals and related software, and is most pronounced in high-end gaming PCs, where we demonstrated market leadership. Across this portfolio, our premium personal computing products bring together cutting-edge performance, portability, design, display technology, power efficiency and on-device AI capabilities to deliver differentiated user experiences and address the requirements of discerning consumers and professional users.

Beyond this product leadership, close engagement with professional gamers, esports teams, technology partners and the broader gaming community provides valuable user insights that shape product innovation, reinforce ROG's performance-led identity and cultivate deep customer loyalty. At the forefront of the AI PC transition, we continue to expand our portfolio of next-generation AI PCs, combining advanced processors and neural processing capabilities with differentiated hardware, software and AI-enabled experiences.

As a result of our relentless focus on the premium PC segment, we have outgrown the overall PC industry over the past three years, with our PC revenue growing at a 12% CAGR from 2023 to 2025.

An Engineering-led Culture With a Proven Track Record of World-class Innovation and Technology Leadership

For more than 36 years, our engineering-led culture has been the foundation of our technological leadership, product innovation and capacity to anticipate major shifts in computing. Supported by approximately 5,500 R&D professionals, we maintain substantial in-house R&D, product design and engineering capabilities across system architecture, motherboard and graphics-card design, thermal management, power delivery, firmware, industrial design and user-experience optimization, enabling faster innovation cycles, stronger product differentiation and enhanced responsiveness to technological change.

Our asset-light operating model, which leverages established manufacturing partners, enables us to focus our resources on higher-value activities, including product and system design, R&D and solution integration. This model is supported by engineering capabilities that span multiple product categories, form factors and applications, enabling us to develop advanced products ranging from ultraportable AI PCs and high-performance gaming systems to sophisticated components and liquid-cooled AI infrastructure.

Our combination of engineering depth, product design and user insight translates complex technologies into differentiated customer experiences, reinforces our premium positioning and enables us to respond rapidly to evolving customer requirements and technology cycles. Our innovation capabilities are further supported by a broad global intellectual property portfolio comprising more than 6,700 granted patents as of June 30, 2026.

Longstanding Strategic Partnerships With Leading Technology Providers, Leading to Proven Supply Chain Management Capabilities

We maintain longstanding relationships with the world's leading semiconductor and technology companies, including strategic relationships spanning approximately 20 to over 30 years with leading semiconductor companies including NVIDIA, Intel and AMD, as well as longstanding relationships with Qualcomm and MediaTek. As an early development partner, we benefit from early access to next-generation technologies, collaborative development and product optimization opportunities, and accelerated time-to-market. This enables us to participate in the development and optimization of new platforms ahead of their commercial launch and to be among the first providers to introduce products incorporating next-generation technologies. Our long-established ecosystem relationships also provide valuable insight into evolving technology roadmaps and position us to participate in emerging platforms and next-generation computing architectures.

We also have strong relationships with key component suppliers and memory manufacturers, underpinned by our purchasing scale, strategic relevance and proven execution track record. We utilize selected long-term supply agreements and strategic sourcing arrangements to enhance supply visibility and secure access to critical components, particularly during periods of constrained industry supply. We combine disciplined procurement, inventory management and operational flexibility to navigate component cycles, manage market volatility and respond rapidly to changing customer demand, and we continue to diversify our sourcing footprint, including through expanded outsourcing capacity in Southeast Asia, to enhance operational flexibility and mitigate geopolitical and supply-chain risks.

An Experienced Leadership Team with Deep Industry Expertise and a Proven Execution Track Record

Our long-tenured leadership team provides a powerful combination of entrepreneurial vision, deep industry expertise and strategic continuity. Chairman Jonney Shih has led us since 1993 and overseen our transformation from a motherboard-focused business into a global technology powerhouse with leadership positions across premium PCs, gaming systems, motherboards and AI infrastructure. Vice Chairman Ted Hsu, a co-founder of ASUS, has played a central role in our development since inception and provides deep industry expertise, strategic continuity and invaluable institutional knowledge. Together, their continuous leadership since

our founding has preserved a consistent long-term strategic vision across multiple technology cycles and industry transitions.

We operate under a co-CEO leadership structure led by S.Y. Hsu and Samson Hu, both long-serving executives at our Company with extensive experience across multiple business functions, product categories and technology platforms. Having spent decades within our Company, our senior management team has demonstrated a proven ability to navigate industry cycles, anticipate major technology transitions and capitalize on emerging opportunities across computing and AI.

Our Strategies

Scale Our Full-Stack AI Infrastructure Business

Through our Infrastructure Solutions Business Group, AI servers have become our third pillar of long-term growth—alongside our System Business Group and Open Platform Business Group—our strategy is to scale this business aggressively while broadening our capabilities across the AI infrastructure stack. Building on several years of investment through our Infrastructure Solutions Business Group, we are seeing strong order momentum across regional CSPs, Neocloud customers, enterprises and sovereign AI initiatives.

We intend to remain a first mover on every new platform generation, delivering end-to-end AI infrastructure built on NVIDIA platforms, including the Vera Rubin NVL72, HGX Rubin and Blackwell-based HGX and MGX systems, together with our ASUS AI Factory. We strive to maintain this leadership by participating in initial mass production phases for new-generation architectures, subject to supply allocation and verification schedules. Beyond servers, we are broadening into AI-optimized storage, networking and advanced liquid-cooling solutions, establishing ourselves as a full-stack AI infrastructure provider rather than a server vendor alone.

Lead the AI PC Transition Across Consumer and Commercial

We intend to lead the multi-year shift to on-device AI in personal computing. We offer one of the most comprehensive Copilot+ AI PC portfolios in the personal computing market globally, spanning our Zenbook, Vivobook, ExpertBook and ProArt families with on-device AI acceleration that runs generative and agentic AI locally rather than in the cloud, and we plan to integrate agentic AI applications across our entire notebook lineup via ASUS Cloud to deliver a more capable, automated user experience.

In parallel, we are deepening our position in the commercial and education markets, where we have evolved from a hardware supplier into a comprehensive AI solutions partner. Anchored by premium AI PCs such as the ExpertBook Ultra and by momentum in large-scale education programs, this commercial expansion is intended to raise our high-value product mix and provide a durable, higher-margin complement to our consumer business.

Cement Existing Leadership Across Components and Peripherals

Gaming is our strongest brand and a key profit driver, and our strategy is to reinforce ROG as a leading gaming brand across laptops, desktops, components and peripherals through an end-to-end ecosystem co-created with gamers and professional teams. We are leveraging ROG's 20th anniversary and deep esports partnerships with top-tier teams and events to strengthen brand loyalty and channel player insight directly into product development, sustaining the premium positioning that underpins our gaming profitability. These efforts support our leadership in the high-end gaming segment.

Underpinning this gaming ecosystem, our component and display businesses are a core profit engine and the hardware foundation of our broader franchise, and we intend to defend and extend our category leadership. We hold leading positions globally in motherboards and graphics cards, and hold a leading market share in the global OLED monitor market. We plan to sustain these positions through continued technical innovation and to grow the surrounding gaming accessories ecosystem, converting category leadership into stable, high-margin revenue that supports investment across the rest of our portfolio.

Grow Edge AI and Emerging Physical AI

Through our AIoT Business Group, we bring AI to the physical world across smart manufacturing, smart cities and healthcare. We are scaling edge AI hardware, such as the ASUS IoT P1, which is designed to accelerate physical AI in smart automation, and at Smart City Expo 2026, we showcased a comprehensive strategic layout

for smart city transformation by integrating Taiwan AI Cloud's secure, sovereign AI capabilities with its AIoT division's data-driven solutions for sustainable urban governance. In healthcare, we are building smart medical ecosystems in Taiwan spanning medical imaging, medical robotics and telemedicine.

Beyond these applications, we are also developing a unified AI platform for robotics that spans both physical and virtual embodiments, allowing a common underlying intelligence to support different forms of robots, agents and interfaces. Over the longer term, this platform is intended to shift our robotics business from one-off hardware sales toward a platform-driven model with recurring revenue, extending our AI infrastructure and device leadership into an emerging, higher-margin end market.

Corporate Information

We were incorporated on April 2, 1990 under the ROC law. Our registered office and our principal executive offices are located at No. 15, Lide Rd., Beitou Dist., Taipei City 112019, Taiwan (R.O.C.) and our telephone number is +886 2 2894 3447. The uniform number assigned to us by the Ministry of Economic Affairs of the ROC is 23638777. Our website address is "www.asus.com". Our website does not constitute a part of this Offering Circular.

Our Common Shares have been listed on the TWSE since November 1996. On September 10, 2026, the closing price of our Common Shares on the TWSE was NT$989.0 per share, and our market capitalization, based on that closing price, was NT$734.6 billion (US$23.3 billion).

History

1989—1995: Founding and Early Development

Led by Mr. T.H. Tung, four engineers from Acer Incorporated ("**Acer**"), a leading Taiwanese manufacturer of computer and computer components, commenced operations as our predecessor business in 1989 and formed ASUSTek Computer Limited ("**ACL**") to develop motherboards. ASUSTeK Computer Inc. was subsequently incorporated in 1990, and ACL was dissolved, with its assets transferred to us. Mr. Jonney Shih, a colleague of T.H. Tung at Acer, joined us and became our Chairman and Chief Executive Officer in 1993. Our corporate purpose and scope of operations include the design, manufacture, assembly, and sale of various computer products, components, and software. Our first manufacturing facility in Beitou District, Taipei, Taiwan commenced commercial production in July 1990, and in December 1994 we purchased land to build our Luchu facility, which commenced commercial production in May 1995. During this period, we launched a series of motherboard products, including the Cache386/33 and 486/25 motherboards used in IBM and ALR products, and the EISA 486 motherboard, which became one of the most widely adopted motherboards in the industry. We also established a formal partnership with Intel® in 1992 and, by 1995, had become the world's leading motherboard maker, marked by the launch of our first dual-socket Intel® Pentium® motherboard.

1996—2004: Public Listing and Market Expansion

In 1996, we began trading as a public company on the Taiwan Stock Exchange. Throughout this period, we expanded significantly beyond motherboards: in November 1997, we entered the notebook computer industry, designing, manufacturing, and selling notebook computers under our own brand name and on an OEM/ODM basis. Our notebook design, manufacturing, and service quality were recognized by numerous industry awards, including "Best Manufacturer in Asia" by Computer Direct in 2002. We also broadened our product portfolio into new categories, including PDAs and mobile phones, and continued to lead the market in graphics cards and motherboards, supported by the establishment of customer service centers across China, Europe, the United States, and Japan beginning in 2000. To support our growing global footprint, we established manufacturing operations in Suzhou, PRC in 2000, and limited assembly and service facilities in the Czech Republic and Mexico in 2002.

2005—2008: Launch of Republic of Gamers and the Eee PC

During this period, we introduced Republic of Gamers ("**ROG**"), a sub-brand dedicated to gaming products, and launched the Eee PC, a new product category that achieved global commercial success and numerous international awards. In March 2006, we adjusted our organizational structure in response to business development, defining most business units along process- and customer-oriented lines. Following this reorganization, our brand-name business and our OEM/ODM business were officially divided in January 2008, with the brand-name business managed by ASUS and the OEM/ODM business operated by Pegatron and Unihan Corporation.

2009—2016: ODM Business Spin-off and Expansion into Smart Devices

In February 2010, our shareholders approved the spin-off of our ODM business, allowing us to focus exclusively on our own brand and to mitigate potential conflicts of interest with our ODM customers. We also expanded our sustainability initiatives during this period, and by 2009 had developed the first motherboards to achieve Energy Star 5.0 certification. We continued to diversify our product lines across ultrabooks, tablets, smartphones, and wearables, while ROG established itself as a leading gaming brand. In September 2012, we were ranked among the top three international brands from Taiwan for the 10th consecutive year.

2017-2019: 30th Anniversary and Introduction of ProArt and First ROG Gaming Smartphone

Beginning in 2017, we initiated organizational reforms across our product and service teams to improve operational efficiency and to prepare for the transformative impact of artificial intelligence. These efforts produced a positive development trend in the second half of 2017, and we emerged as a leading brand of ultrathin, light, and 2-in-1 notebooks. We also began consolidating internal data and adopting big data and AI tools with the goal of establishing ourselves as a smart, consumer-centric enterprise. In 2018, we refocused our corporate culture and strategic direction around our core brand essence of product innovation, product quality, and user experience, an approach we described internally as pursuing an "idea meritocracy". As part of this evolution, we sharpened our smartphone strategy around gaming and power users under our Republic of Gamers brand, identified AIoT as a key strategic growth area, debuted our dual-screen gaming laptop Project Precog, and launched our first ROG gaming smartphone. We continued to introduce our AI, cloud computing, and AIoT capabilities across our motherboard, notebook, and gaming product lines, while continuing to invest in corporate social responsibility and environmental sustainability, including through our ASUS 2020 Sustainability Goals adopted in alignment with the United Nations' Sustainable Development Goals. In 2019, we celebrated 30 years in business, marked by commemorative product releases, the introduction of our ProArt line for creative professionals,https://www.asus.com/content/project-precog/ and the opening of a LEED Platinum-certified office building at our Taipei headquarters.

2020—2022: Digital Transformation and Product Expansion

Beginning in 2020, the accelerating digitalization of work, education, and entertainment drove strong global demand for computers and computer peripherals. We capitalized on this momentum by further expanding into the commercial market and smart applications field, and by developing a broader portfolio of AI, cloud computing, and AIoT solutions. During this period, we were recognized as the world's best laptop brand of 2020 by Laptop Mag and introduced a range of innovations, including the ZenBook Pro Duo dual-screen laptop, the Zephyrus G14 gaming laptop, and AI-driven applications such as AI Overclocking, AI Cooling, and AI Networking for motherboards. We carried this momentum into 2021, strengthening our operational capabilities and corporate culture around principles of transparency and collective decision-making. We continued to expand our product portfolio, including the ROG Flow X13 convertible gaming laptop and the Zenbook 17 Fold OLED foldable laptop, while advancing sustainability commitments, including a pledge to use 100% renewable energy in our Taiwan-based operations by 2030 and globally by 2035. In 2022, we continued to sharpen our organizational focus, launching the award-winning Zenbook 17 Fold OLED, named one of TIME Magazine's Best Inventions of 2022, the ROG Flow X13, and our first carbon-neutral laptop, the ExpertBook B9 OLED, reflecting the deeper integration of sustainability into our product design.

2023—Today: Comprehensive AI Strategy

The emergence of generative AI marked a new inflection point for our business beginning in 2023. We launched a strategic AI initiative spanning underlying technology, system infrastructure, and terminal applications, and introduced products including the ROG Ally gaming handheld, which achieved a brand milestone for global pre-order volume, and the ProArt PA169CDV, the world's first drawing monitor. We continued to strengthen our sustainability and cybersecurity programs, achieving ISO 27701, 27017, and 27018 certifications and recognition on the Carbon Disclosure Project's Leadership list. In 2024, we secured a leading position in the Copilot+ PC market, became a leading gaming laptop brand, ranked among the top notebook brands, and exceeded our server revenue growth targets ahead of schedule. We advanced our "Ubiquitous AI. Incredible Possibilities" strategy across AI PCs, AI servers, Edge AI, and AIoT, launched multiple Copilot+ PCs, and had our Zenbook DUO added to the permanent collection at the Henry Ford Museum of American Innovation. We also launched the world's first AI NUC powered by an Intel® Core™ Ultra processor (Series 2), successfully transitioned thousands of customers from the legacy Intel NUC portfolio, and introduced the NUC 14 Pro AI as an early Copilot+ desktop experience. In 2025, we continued this momentum, further advancing our position in the industry, including as a leading global gaming brand ROG and with a significant market share in high-end

gaming PCs. We committed fully to our "All in on AI" strategy, hosted our inaugural AI Tech Summit in Dubai to unveil sovereign AI solutions, expanded our former ISG Business Unit into a new Infrastructure Solutions Business Group to address growing demand for Cloud AI, and celebrated the 30th anniversary of our graphics card business, while continuing to strengthen our sustainability and cybersecurity governance frameworks.

Products and Solutions

We design, develop, and market a comprehensive portfolio of branded computing hardware products, components, and related technology solutions. We focus on high-growth market segments—gaming, content creation, AI-enabled computing, and premium consumer experiences. Our design philosophy is rooted in human-centered thinking: a belief that technology should create an effortless and joyful digital life for everyone.

Our products and solutions are organized into four principal categories, aligned with our four business groups: System, Open Platform, Infrastructure Solutions, and AIoT, each addressing distinct customer needs and end-markets. AI capabilities are integrated across our product portfolio. Certain brands, such as ProArt, span multiple categories, encompassing complete creator-focused systems under our System Business Group as well as motherboards and graphics cards under our Open Platform Business Group. In addition, we offer displays, peripherals, networking products, and technology services that complement our hardware portfolio.

The following table sets forth the breakdown of our brand revenue by each principal product category, as a percentage of total brand revenue, for the periods indicated:

	For the year ended,			For the three months ended	
Product Segment	**December 31, 2023**	**December 31, 2024**	**December 31, 2025**	**March 31, 2026**	**June 30, 2026**
System	64%	60%	52%	46%	45%
Open Platform	32%	30%	30%	26%	19%
Infrastructure Solutions	4%	10%	18%	28%	36%
AIoT	<1%	<1%	<1%	<1%	<1%
Total	100%	100%	100%	100%	100%
Total brand revenue[(1)] (NT$ in millions)	448,043	548,534	688,936	194,051	241,056

(1) Brand revenue refers to revenue derived from products sold under the ASUS brand.

For a percentage breakdown of our brand revenues by geographic region, see "— Sales, Marketing and Distribution — Sales."

System Business Group

Our System products encompass personal computing devices including notebooks, desktops, all-in-ones, handhelds, and related devices, organized primarily across consumer, gaming, and commercial and creator lines to serve distinct market segments. This product structure reflects our belief that different users have fundamentally different priorities: mainstream consumers value design, usability, and accessibility; gamers demand high performance, advanced cooling, and immersive experiences; commercial users prioritize security, manageability, durability, and total cost of ownership; and creators require color accuracy, stability, and workstation-class capabilities.

Consumer

Our consumer product line includes notebooks and desktops for general and everyday users. Key series include:

- ZenBook. Our premium ultrabook line, emphasizing elegant industrial design, high-quality OLED or advanced displays, thin-and-light portability, capable processors, and long battery life for productivity, content consumption, and mobile creative work.

- VivoBook. Our mainstream notebook line, balancing modern design, solid performance, and value at accessible price points for consumers, students, and everyday computing, entertainment, and multimedia needs.

Gaming

Our gaming products operate primarily under the ROG brand, with the TUF Gaming line offering more accessible, durability-focused options. The portfolio includes high-performance laptops, desktops, handheld gaming devices (such as the ROG Ally series and, following our collaboration with Xbox, the ROG Xbox Ally X), monitors, peripherals, and companion software for PC gamers, esports competitors, and gaming content creators. ROG systems feature advanced cooling architectures, high-refresh-rate displays (including OLED panels), and AI-driven performance optimization.

Flagship examples include the ROG Zephyrus series (such as the Zephyrus G16), which helped introduce OLED panels with NVIDIA G-SYNC support to gaming laptops. We have recently expanded ROG gaming monitors, including through partnerships supporting advanced technologies such as G-SYNC Pulsar. ROG has evolved into an integrated hardware-software-community ecosystem. ROG is a leading global gaming brand, leading across peripherals, laptops, desktops, and components, and we demonstrated market leadership with significant market share in high-end gaming PCs in 2025.

Commercial and Creator

Our commercial products include business notebooks, desktops, all-in-ones, and workstations under the ExpertBook and ExpertCenter brands, while ProArt addresses creator professionals.

- ExpertBook: Business notebooks for enterprise and SMB customers, featuring military-grade durability (MIL-STD-810H), multilayer hardware and software security, manageability features, and extended battery life.

- ExpertCenter: Desktops, all-in-ones, and workstations for office, education, and enterprise workspaces, with AI-enabled productivity features, enterprise-grade security, and sustainability/ESG-oriented capabilities that help customers track and meet environmental goals. High-end ExpertCenter Pro deskside AI systems (such as the ExpertCenter Pro ET900N G3, a deskside AI supercomputer built on NVIDIA DGX Station architecture and powered by the NVIDIA GB300 Grace Blackwell Ultra Desktop Superchip, delivering up to 20 PFLOPS of AI performance) extend into workspace AI and edge applications, complementing our broader AI infrastructure offerings.

- ProArt: Creator-focused laptops (i.e., Studiobook), desktops, and workstations with workstation-grade performance, wide-gamut color-accurate displays (often HDR-certified), and tools optimized for video production, photography, animation, 3D modeling, and other creative professional workflows

Open Platform Business Group

Our Open Platform products—led by motherboards and graphics cards—serve PC builders, system integrators, enthusiasts, and enterprise hardware architects who require quality, compatibility, performance, and innovation at the component level.

Motherboards

We are a leading global manufacturer of motherboards and a recognized innovator, frequently among the first to market with new platform technologies. Our motherboard portfolio includes dedicated families for gaming, durability, content creation, mainstream, and business/enterprise use:

- ROG Crosshair and ROG Strix. Enthusiast and competitive gaming motherboards with advanced power delivery, audio, cooling support, and overclocking capabilities.

- TUF Gaming. Durability-focused designs engineered for reliable long-term performance.

- ProArt. Motherboards optimized for content creators, emphasizing stability, expandability, and workloads such as 3D modeling, rendering, and media production.

- Prime. Mainstream and general-purpose boards delivering reliable everyday performance.

- Business and Pro Business. Solutions designed for IT operations and enterprise environments.

We also offer motherboard accessories, including Thunderbolt expansion cards, M.2 add-on cards, and fan extension modules, that provide additional configuration flexibility.

Graphics Cards

Our discrete graphics cards span gaming, consumer, professional, and workstation applications, many of which are developed through partnerships with leading GPU providers (including NVIDIA). Our graphics card families include:

- ROG Strix and ROG Matrix. High-performance cards for enthusiasts and overclockers, featuring advanced cooling and premium aesthetics.
- TUF Gaming. Durability-oriented cards with reinforced construction.
- Dual and Phoenix. Compact and mid-range options balancing performance and value.
- ProArt. Professional-grade cards optimized for content creation, video editing, 3D rendering, and design.

Other Components and Peripherals

Our system-building products enable customers to assemble, customize, and upgrade complete PCs. These include gaming cases, air and liquid cooling solutions, power supply units, external graphics docks, sound cards, optical drives, and data storage products designed for high-performance and AI-ready builds.

Infrastructure Solutions Business Group

Our Infrastructure products deliver enterprise-grade computing infrastructure, with particular strength in AI workloads. We have evolved from server motherboards and individual systems to comprehensive, end-to-end AI infrastructure solutions—an approach we describe as building "AI Factories." Our offerings include rack-scale AI systems, liquid-cooled platforms, and integrated compute, storage, networking, and software designed for enterprises and cloud service providers deploying large-scale AI clusters.

AI Servers

Our AI server portfolio spans rack-scale systems and accelerated GPU servers built on leading NVIDIA platforms, including systems based on GB200 and next-generation architectures. The portfolio is led by the flagship ASUS AI POD on the NVIDIA Vera Rubin NVL72 platform and our ESC-series GPU servers on NVIDIA HGX and MGX systems, together with the ASUS AI Factory for turnkey, rack-scale AI deployment. We complement these offerings with AI-optimized storage and advanced liquid-cooling solutions for large-scale AI data centers. Our systems address high-performance AI training and inference demands among hyperscalers, enterprises, and institutions, with choices across cooling modalities, processor architectures, and deployment scales. Our AI server development is closely aligned with NVIDIA's technology roadmap, and we were among the first partners to integrate its latest platforms. We intend to continue aligning our product development with NVIDIA's roadmap to support mass production and timely delivery to our customers.

Networking Products

Our networking hardware includes routers, switches, and Wi-Fi products supporting current wireless standards, marketed both under the ASUS brand and through our subsidiary Askey Computer Corporation, which designs, manufactures, and sells communication products and related components. Our high-speed and enterprise networking equipment supports our infrastructure and edge-to-cloud offerings.

AIoT Business Group

Our AIoT products extend computing into industrial, commercial, and edge environments. We believe that reliable, compact, and versatile hardware—combined with software and domain partnerships—has broad applicability across factory floors, retail, healthcare, smart cities, transportation, robotics, and other intelligent systems, well beyond traditional home or office settings. Our portfolio emphasizes industrial-grade reliability, wide operating temperature ranges, long product lifecycles, rigorous validation, Configure-to-Order Services, and an ecosystem/partner approach, as complete vertical solutions often require specialized domain expertise.

Edge AI Computing Systems and Devices

Our edge AI computing systems and devices are complete or near-complete platforms designed to run AI workloads directly at the point of data collection—on factory floors, in retail environments, within vehicles, or at other remote locations—rather than relying on centralized cloud infrastructure. These systems deliver high-performance, often rugged or fanless computing optimized for real-time AI inference, computer vision, sensor fusion, and autonomous workloads. By processing data locally, they enable faster response times, reduced bandwidth requirements, enhanced data privacy, and reliable operation even with intermittent connectivity. Our edge AI portfolio includes systems such as the ASUS IoT P1, designed to accelerate physical AI in smart automation, together with the following key products:

- PE-series platforms (such as the PE3000N), which are compact edge AI systems accelerated by NVIDIA Jetson platforms (including the NVIDIA Jetson Thor) designed for next-generation robotics, AMRs, industrial automation, and physical AI, with features supporting multi-camera input, wide temperature ranges, and high AI performance.

- RUC-2000 series rugged rack-mount edge AI systems, modular platforms with Intel Core Ultra processors delivering high AI TOPS, rich I/O, and expandability for mission-critical deployments.

- Next Unit of Computing ("**NUC**") mini-PCs and related compact systems for digital signage, point-of-sale, thin-client, conferencing, and other commercial/industrial use cases.

- Our portfolio also includes GPU-accelerated edge computers and Arm-based gateways.

Embedded Industrial Hardware & Building Blocks

Our embedded industrial hardware and building blocks provide foundational, long-lifecycle components for OEMs, integrators, and developers constructing customized industrial and IoT systems. These include industrial motherboards, single-board computers (SBCs), computer-on-modules (COMs such as COM Express), the Tinker series of compact SBCs (for development, prototyping, and lighter industrial/IoT applications), GPU and Edge AI accelerators, and related accessories. Each product emphasizes durability against harsh conditions, extended supply longevity, and customization support.

AI Software, Platforms & Vertical AIoT Applications

Our AI software tools, management platforms, and vertical solutions complement our hardware, accelerating deployment and enabling Physical AI:

- Our software and platforms include AISVision and AISVision 365 (AI vision toolkits and cloud-native platforms for inspection, defect detection, and machine vision), AISPHM (predictive maintenance and vibration/health management), ASUS IoT Cloud Console (AICC) for device management and data, face recognition and ALPR solutions, middleware, FOTA update capabilities, and related development tools.
- Our vertical applications target smart manufacturing/Industry 4.0 (visual inspection, predictive maintenance, robotics/AMR collaboration, production optimization), smart medical platforms spanning medical imaging, robotics and telemedicine, smart retail, sovereign AI smart city and transportation solutions (video analytics, infrastructure and mobility), and robotics/automation/intelligent systems.

We believe that AIoT and edge/Physical AI are strategic growth and diversification areas that leverage our core hardware strengths while expanding beyond the cyclical dynamics of the traditional PC industry. We are also developing a unified AI platform for robotics that spans physical and virtual embodiments, allowing a common underlying intelligence to support different forms of robots, agents and interfaces. Over the longer term, this platform is intended to shift our robotics business from one-off hardware sales toward a platform-driven model with recurring revenue, extending our AI infrastructure and device leadership into an emerging, higher-margin end market.

Properties

The following chart sets forth our key real properties:

Location	Floor Space (in square meters)	Main Purpose
Beitou, Taiwan	206,866	Global head office
Tamsui, Taiwan	13,962	AI Cloud Innovation Center
Taoyuan, Taiwan	32,288	Research and development facilities and office
Total	**253,116**	

Manufacturing and Materials

We operate an asset-light model, outsourcing the substantial majority of our production to established manufacturing partners and retaining limited in-house, highly automated manufacturing primarily for motherboards, graphics cards, and certain other selected products. This model enables us to focus our resources on higher-value research and development, product design, and solution integration.

The principal raw materials used in our manufacturing operations are chipsets, memory, logic integrated circuits, printed circuit boards, and LCD panels. These raw materials are supplied primarily by well-known domestic and foreign manufacturers with established reputations for quality within the industry, many of which have maintained supply relationships with us for a number of years. We believe these long-standing relationships help ensure a normal and consistent supply of raw materials and support our competitive position.

We have established measures to support the continuity of our assembly operations and land transportation activities, including with respect to power supply. Specifically, we have established a Business Continuity Management framework and a corresponding Business Continuity Plan to help ensure operational resilience. We also actively monitor exchange rate movements and manage our supply chain to help balance exchange rate exposure and raw material cost fluctuations. In addition, we require suppliers qualifying to do business with us to pass new supplier quality and sustainability audits and to obtain ISO 9001 and ISO 14001 certifications, reflecting our broader approach to strengthening our manufacturing and supply chain.

Sales, Marketing and Distribution

Customers

Our products are designed around customer needs and we have the capability to deliver products in a timely manner. Through our vertically integrated approach, we provide customers with complete system solutions—from notebooks, desktops, and handheld gaming devices to AI servers, edge computing platforms, and industrial hardware—as well as high-performance components such as motherboards and graphics cards for customers who prefer to build or customize their own systems. This enables us to serve a diverse range of customers, including mainstream consumers, gamers and esports competitors, content creators, commercial and enterprise users, and industrial and AIoT customers. Our ongoing product development responds to evolving customer needs across gaming, content creation, AI-enabled computing, and enterprise infrastructure.

For the years ended December 31, 2023, 2024 or 2025 and the six months ended June 30, 2026, no single customer accounted for more than 10% of our operating revenue.

Service Centers

Our service centers, which serve as important contact points with our customers, are located in Asia, the Americas, and Europe. With support currently available in over 90 countries, we deliver a truly global service experience to our customers. As of June 30, 2026, our customer service department has approximately 2,600 employees.

We offer various free service warranties on our products; we typically provide one to three-year hardware warranties. Our customers may return a defective product to one of our service centers, and we will ship the repaired product back to the customer.

Sales

Our product sales are geographically diversified across Asia, Europe, and the Americas, and we are not dependent on sales to any single jurisdiction. We are a leading brand in many markets, with strong global brand value and recognition. The following table sets forth the breakdown of our brand revenue by geographical region, as a percentage of total brand revenue, for the periods indicated:

	For the year ended,			For the three months ended	
Geographical region	**December 31, 2023**	**December 31, 2024**	**December 31, 2025**	**March 31, 2026**	**June 30, 2026**
Asia	45%	47%	48%	58%	50%
Europe	32%	29%	30%	25%	35%
The Americas	23%	24%	22%	17%	15%
Total	100%	100%	100%	100%	100%
Total brand revenue[(1)] (NT$ in millions)	448,043	548,534	688,936	194,051	241,056

(1) Brand revenue refers to revenue derived from products sold under the ASUS brand.

Marketing

Guided by our brand spirit of "In Search of Incredible," we continuously invest in building and strengthening our brand to maximize consumer mindshare and market recognition. We have been ranked as Taiwan's Most Valuable Global Brand and were named to Fortune's "World's Most Admired Companies" list for multiple years.

Our brand-building efforts extend across a wide variety of media, ranging from traditional channels such as print and television to promotional events, exhibitions, and sponsorships of teams and events. In addition, we make significant investments in product quality, customer service, and after-sales support as part of our commitment to expanding brand awareness and customer loyalty. Our global marketing structure encompasses sales operations across Asia, the Americas, and Europe, supported by brand management, product marketing, and market insight functions. We have established multiple official websites in different languages worldwide, implementing a comprehensive localization strategy to cultivate local markets.

For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, our selling expenses were NT$29,186.7 million, NT$35,417.8 million, NT$40,292.3 million (US$1,265.1 million) and NT$20,353.9 million (US$639.1 million), respectively.

Distribution

As customary in our industry, we sell and market our products through our direct sales force as well as external distributors and retailers. By using distributors, we are able to focus our resources on product development, brand building and customer relationship maintenance. We rely more on retailers for the sale and distribution of our products in Europe and the US while we rely more on distributors in the emerging markets, such as China. Our direct sales staff builds and maintains customer relationships by providing customers with technical support and other customer services. We endeavor to strengthen relationships with our distributors and retailers, which in turn can help us anticipate customer demand, keep abreast of industry trends and respond to shifts in customer needs.

Supply and Procurement

We leverage a hybrid OEM/ODM model, collaborating closely with leading manufacturing partners to jointly develop, design, and assemble products aligned with our marketing strategies and production priorities. Through resilient supply chain partnerships and thorough upstream and downstream supply chain integration, we possess strong market competitiveness in product quality, innovative technology, and cost control. Our supply chain operations are tailored towards meeting customer demands through a seamless demand planning process. Our demand planning enables us to coordinate with ODM partners to reach out to our potential customers in a more direct way, receive instant feedback, and precisely anticipate the type and volume of products that our customers need. We maintain close strategic collaborations with key global silicon partners, which enabled the successful launch of a full range of laptops equipped with AI computing power. We procure and manage key components—such as panels, memory, chipsets, logic ICs, and printed circuit boards—and consign them to our

ODM partners for use in manufacturing. Our suppliers are mostly well-known domestic and foreign manufacturers with good quality and reputation in the industry who have collaborated with us for many years, helping to ensure a continuous supply of raw materials.

We continue to diversify our sourcing footprint, including through expanded outsourcing capacity in Southeast Asia, to enhance operational flexibility and mitigate geopolitical and supply-chain risks.

Research and Development

Our research and development department comprises approximately 5,500 personnel with capabilities spanning hardware, software, system integration, and product commercialization. We rely on in-house innovation for the research, development, production, and marketing of advanced motherboards, graphics cards, laptops, servers, and smartphones, as well as for the development of integrated computer, communications, consumer electronics, and automobile electronics products. The industry sectors in which we operate are characterized by rapid technological advances, changes in customer requirements, and frequent introductions of new products and enhancements. Our research and development organization has continued to develop new products and successive generations of our existing product lines in anticipation of future customer demand, including through our comprehensive, AI-driven product transformation.

Our research and development activities are organized around two complementary functions: our R&D Center and our R&D Division. Our R&D Center focuses on technology studies and the commercialization of creativity, conducting in-depth preliminary studies and assessments of key software and hardware technologies, modules, and application program development platforms; this work informs our evaluation of technology trends and partner selection. Our R&D Division focuses on system integration, product introduction, and commercialization, converting technology into revenue and reinvesting a portion of that revenue to support continued creativity and technology development, thereby sustaining a continuous R&D cycle. Our research and development efforts are further organized across four business groups: our System Business Group, which leads innovation in AI PCs and devices; our Open Platform Business Group, which focuses on the research and development of AI accelerators; our Infrastructure Solutions Business Group, which develops infrastructure solutions supporting our AI leadership; and our AIoT Business Group, which drives innovation in industrial AI applications.

Our current and planned product development activities include AI PCs, ultra-slim high-performance laptops, high-end AI computing motherboards, high-end displays and professional graphics cards, our high-end next-generation AI server platform, edge AI computing devices, our next-generation gaming ecosystem (encompassing PCs, handhelds, monitors, networking, and peripherals), high-speed network equipment (routers and switches), professional LCD monitors, AI solutions, and product sustainability and low-carbon product design. We continue to pursue our "All in on AI" strategy, pursuing project deployments spanning servers, personal computers, and edge computing devices in order to capture long-term growth opportunities associated with the evolution of the AI industry.

For the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2026, our research and development expenses were NT$21,638.9 million, NT$22,036.4 million, NT$24,846.8 million (US$780.1 million) and NT$15,112.5 million (US$474.5 million), respectively.

Competition

The industry in which we operate is characterized by intense competition, and the focus of that competition has shifted from hardware performance enhancement toward user-centric generative AI applications and personalized assistants. As demand for customized AI services grows, the PC industry is moving from standardization toward high differentiation, requiring hardware design to be deeply integrated with AI applications; as a result, research and development innovation and precise marketing strategies have become key to creating profit margins and sustaining brand loyalty. We have, both in the past and recently, experienced pressure on profit margins from new competitors entering niche markets such as gaming laptops, thin-and-light laptops, and creator laptops, as well as from volatility in raw material costs affecting product manufacturing costs, exchange rate fluctuations, and uncertainty in supply chain shipments driven by regional tensions and logistics restrictions. While we believe our products and services compete favorably in our industry, we could be adversely affected if our competitors were to introduce innovative or technologically superior products at favorable prices.

We believe our market position in our core motherboard and laptop businesses reflects our research and development and design capabilities, as well as advantages of economies of scale and thorough upstream and

downstream supply chain integration. We believe our brand recognition and consumer demand for our laptop products, including our gaming laptops, have generally outpaced broader market trends in recent years, and we have achieved leading market positions across a number of regions globally, including in Asia, the Americas, and Europe.

We will continue to leverage our competitive advantages, including our design thinking-driven innovation capability, our diversified and user-centric product segmentation strategy addressing gamers, professional creators, commercial users, and mainstream consumers, our global and geographically diversified sales base, our diverse product offerings spanning AI PCs, motherboards, graphics cards, servers, and networking equipment, and our organizational structure of four business groups, to compete with our key competitors across every aspect of our business, in order to convert consumer mindshare into market share and to maintain our leading market positions.

Intellectual Property

As of June 30, 2026, we owned more than 6,700 patents worldwide. In addition, we have registered our major trademarks, including "ASUS," our corporate logo and several trademarks for our wireless communication products, in Taiwan, China, Singapore and other countries and also had trademark applications pending in certain countries. We believe that the establishment of the corporate word mark and logo mark worldwide is material to our operations.

We also hold licenses to use numerous third-party patents. We make royalty payments for these third-party patents in accordance with the terms and conditions of respective patent license agreement. While we utilize our patented portfolio and also license patents to others, we are not substantially dependent on any single patent or group of related patents. In addition, we have also entered into a variety of intellectual property licensing and cross-licensing agreements with other companies.

We generally require our research and development employees to sign non-disclosure agreements which prohibit the disclosure of trade secrets.

Employees

As of June 30, 2026, we had approximately 17,379 total employees, compared to approximately 16,332, 16,631 and 16,940 total employees as of December 31, 2023, 2024 and 2025, respectively. Our continued success is dependent in large part on our ability to attract, retain, train and motivate qualified operational, technical and management personnel.

We have established a corporate union, and our management has taken the initiative to establish communication channels and procedural mechanisms to maintain a positive and constructive mode of communication with the union. We have not experienced any strikes or other disruptions of employment, and we consider our relationships with our employees to be good.

We believe our wages and remuneration are competitive with other companies in our industry, and we set our compensation with reference to average gross national income, price indices, industry remuneration levels, and internal equal-pay-for-equal-work principles. In addition to the benefits mandated under the Company Law and other applicable regulations, such as health insurance, labor insurance, and group insurance (which we extend to cover employees' families), we provide our employees with benefits including meal allowances, birthday gifts, and health check allowances, as well as paid leave beyond legal requirements, including an annual allotment of unlimited-day "happiness leave," flexible working hours, and an annual allowance of remote working days. We also maintain a Defined Contribution Pension Plan for our employees in accordance with applicable law, under which the total amount contributed to each employee's personal retirement account may not be less than 6% of monthly salary. In 2023, we launched an Employee Stock Ownership Trust, which allows employees with more than one year of service to participate on a basis under which we and participating employees contribute to the trust in a 1:1 ratio, allowing employees to share in our business achievements and performance.

We maintain a profit sharing program for our employees and directors under which no less than 1% of our annual distributable profit, after covering any accumulated losses, is allocated as remuneration to employees, and no more than 1% is allocated as remuneration to directors, with at least 20% of the aggregate employee remuneration reserved for junior employees. This remuneration to employees and directors may be paid in cash, in our Common Shares, or in a combination thereof; where remuneration is distributed in Common Shares, the number of shares issued is estimated based on the closing price of our Common Shares on the day prior to the

resolution of our board of directors, subject to adjustment for any ex-right or ex-dividend effect. Our shareholders must approve the issuance of Common Shares for this purpose at a shareholders' meeting. See "Description of Our Share Capital."

Insurance

We have insurance policies covering risks of typhoon, flooding and damage to buildings and machinery due to earthquakes or explosions, which we consider adequate and in line with industry norms. We also have in place a directors' and officers' insurance policy. We have not encountered any business interruptions which may cause a significant effect on our financial positions.

Legal Proceedings

Like many companies in our industry, we and certain of our subsidiaries, investee companies, and affiliates have from time to time received letters from third parties alleging infringement of intellectual property rights, some of which have requested royalty payments based on sales of our products. We evaluate each claim and, where appropriate, seek licenses to use the protected technology. If we enter into license agreements requiring royalty payments, such payments could have a material adverse effect on our business, results of operations, or financial condition.

Certain of our products—including displays, projectors, monitors with backlight displays, cellphones supporting LTE, Flip series computers with reversible screens, and products natively supporting HEVC—have been subject to patent infringement lawsuits or investigations in the United States, Japan, and Germany. We cannot presently determine the ultimate outcome of these lawsuits but have recognized the possible loss in our financial statements.

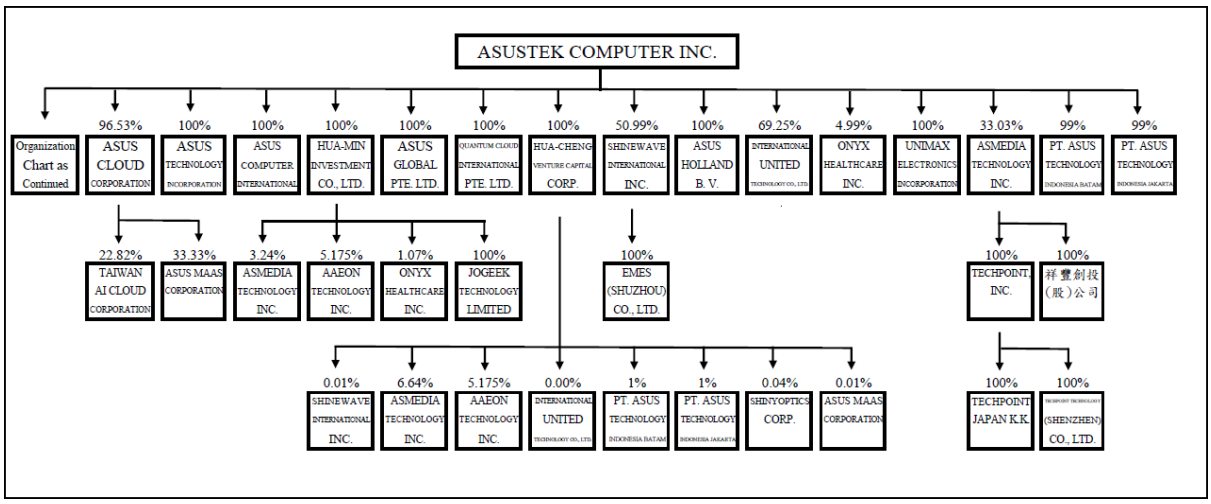
In addition, several patentees have filed patent infringement lawsuits or initiated investigations relating to various other products, including wireless network communication products, notebooks and related accessories, mobile phone products, motherboards, routers, network switches, display products, and other hardware. These lawsuits and investigations are pending in Taiwan, the United States, Japan, Brazil, Italy, Germany, Portugal, the People's Republic of China, India, and the United Kingdom. We cannot presently determine the ultimate outcome or effect of these proceedings.

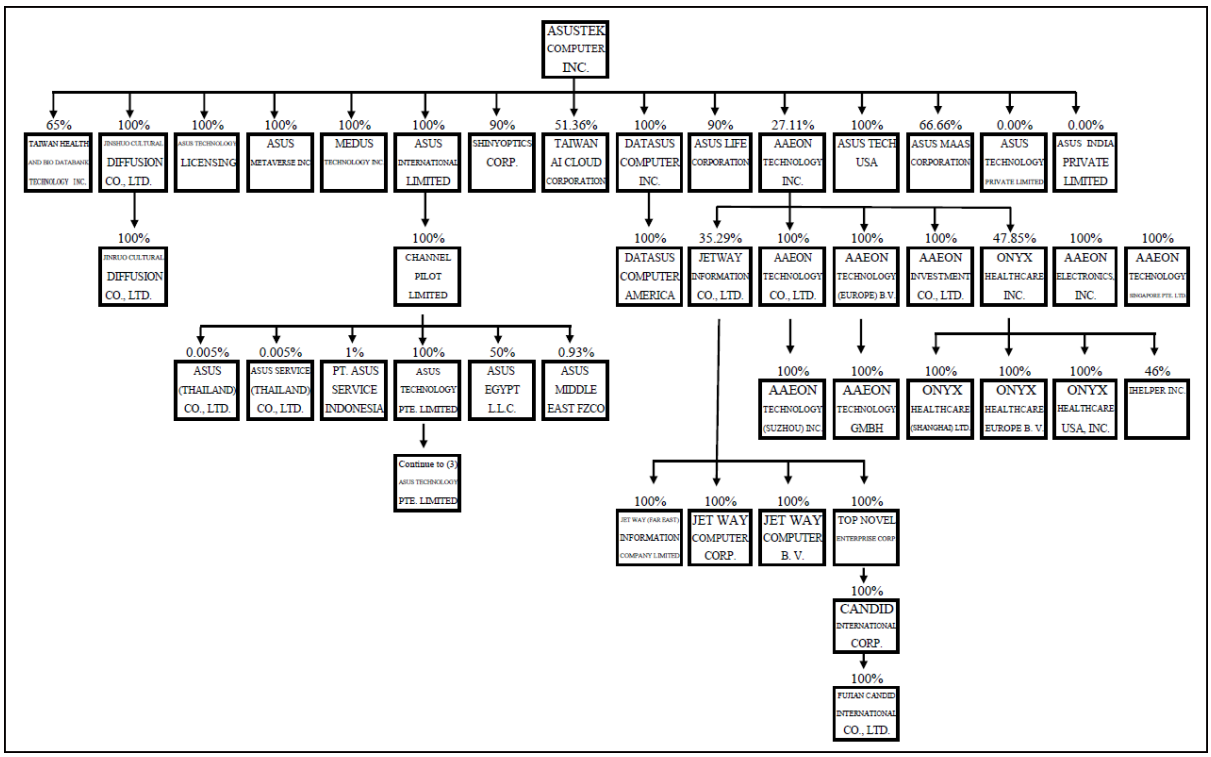
We have retained legal counsel to defend against the foregoing matters. While we believe we have strong defenses, there can be no assurance that we will prevail. We do not currently believe these matters will have a material adverse effect on our business, financial condition, results of operations, or future prospects. See "Risk Factors—Risks Relating to Our Industry and Our Business—We are involved in some proceedings that, if the outcome is adverse to us, might materially and adversely affect our financial condition or results of operation."

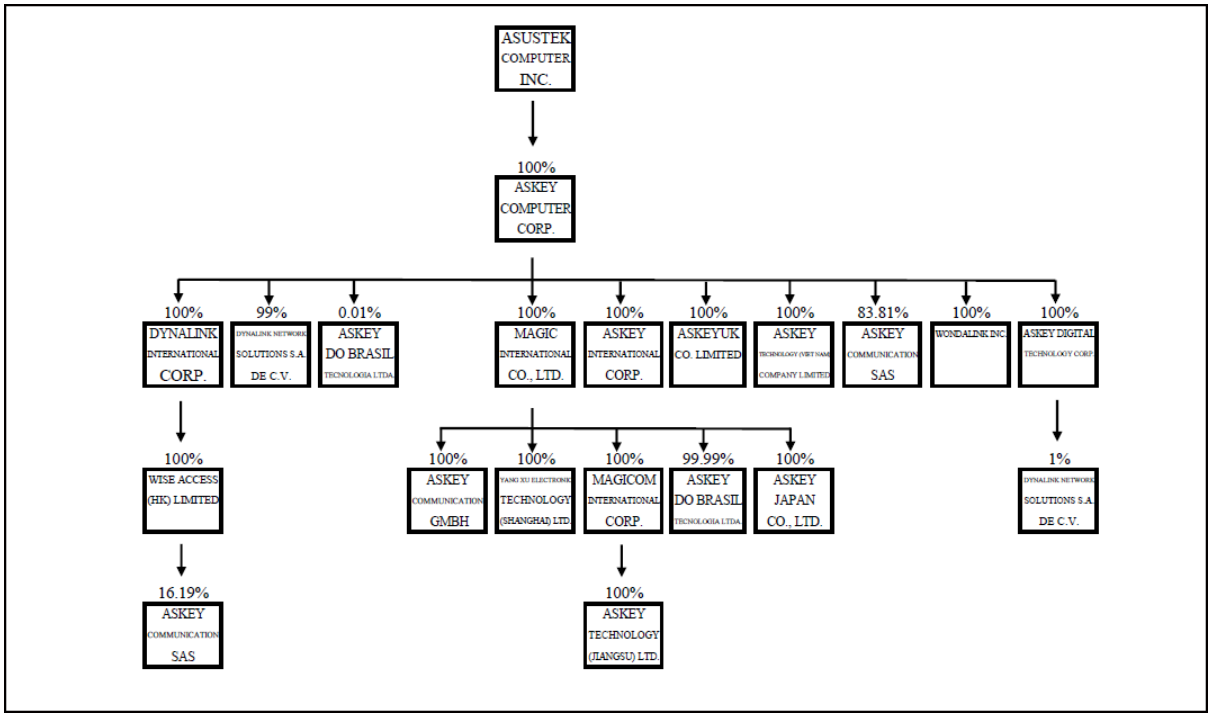
Except as disclosed above, we are not aware of any other pending or threatened litigation or other legal proceedings that we believe may, individually or in the aggregate, materially adversely affect our results of operations or financial condition.

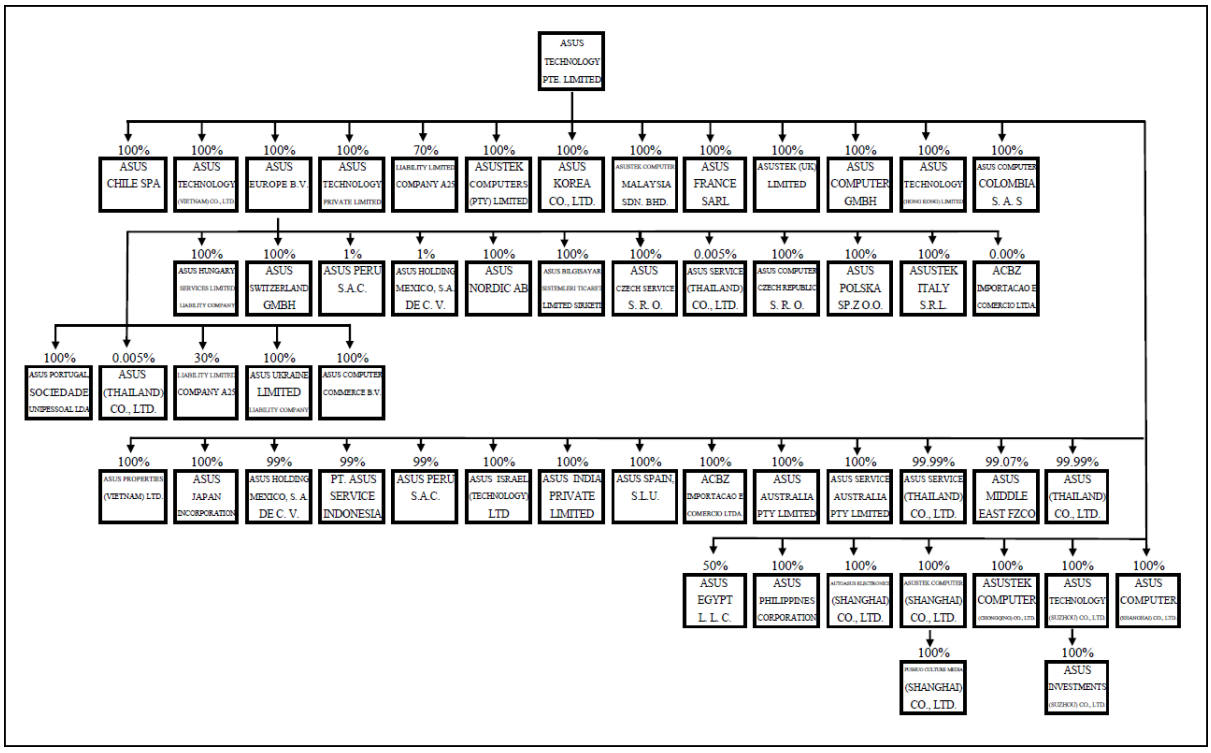
Corporate Structure and Subsidiaries

Set forth below is an organizational chart of our subsidiaries as of June 30, 2026.






ASUSTEK COMPUTER INC.
100%
ASKEY COMPUTER CORP.
100% DYNALINK INTERNATIONAL CORP.
99% DYNALINK NETWORK SOLUTIONS S.A. DE C.V.
0.01% ASKEY DO BRASIL TECNOLOGIA LTDA.
100% MAGIC INTERNATIONAL CO., LTD.
100% ASKEY INTERNATIONAL CORP.
100% ASKEYUK CO. LIMITED
100% ASKEY TECHNOLOGY (VIET NAM) COMPANY LIMITED
83.81% ASKEY COMMUNICATION SAS
100%
100% ASKEY DIGITAL TECHNOLOGY CORP.
100% WISE ACCESS (HK) LIMITED
16.19% ASKEY COMMUNICATION SAS
100% ASKEY COMMUNICATION GMBH
100% YANG XU ELECTRONIC TECHNOLOGY (SHANGHAI) LTD.
100% MAGICOM INTERNATIONAL CORP.
99.99% ASKEY DO BRASIL TECNOLOGIA LTDA.
100% ASKEY JAPAN CO., LTD.
100% ASKEY TECHNOLOGY (JIANGSU) LTD.
1% DYNALINK NETWORK SOLUTIONS S.A. DE C.V.


ASUS TECHNOLOGY PTE. LIMITED
100% ASUS CHILE SPA
100% ASUS TECHNOLOGY (VIETNAM) CO., LTD.
100% ASUS EUROPE B.V.
100% ASUS TECHNOLOGY PRIVATE LIMITED
70% LIABILITY LIMITED COMPANY A2S
100% ASUSTEK COMPUTERS (PTY) LIMITED
100% ASUS KOREA CO., LTD.
100% ASUSTEK COMPUTER MALAYSIA SDN. BHD.
100% ASUS FRANCE SARL
100% ASUSTEK (UK) LIMITED
100% ASUS COMPUTER GMBH
100% ASUS TECHNOLOGY (HONG KONG) LIMITED
100% ASUS COMPUTER COLOMBIA S. A. S
100% ASUS HUNGARY SERVICES LIMITED LIABILITY COMPANY
100% ASUS SWITZERLAND GMBH
1% ASUS PERU S.A.C.
1% ASUS HOLDING MEXICO, S.A. DE C. V.
100% ASUS NORDIC AB
100% ASUS BILGISAYAR SISTEMLERI TICARET LIMITED SIRKETI
100% ASUS CZECH SERVICE S. R. O.
0.005% ASUS SERVICE (THAILAND) CO., LTD.
100% ASUS COMPUTER CZECH REPUBLIC S. R. O.
100% ASUS POLSKA SP.Z O.O.
100% ASUSTEK ITALY S.R.L.
0.00% ACBZ IMPORTACAO E COMERCIO LTDA.
100% ASUS PORTUGAL SOCIEDADE UNIPESSOAL LDA
0.005% ASUS (THAILAND) CO., LTD.
30% LIABILITY LIMITED COMPANY A2S
100% ASUS UKRAINE LIMITED LIABILITY COMPANY
100% ASUS COMPUTER COMMERCE B.V.
100% ASUS PROPERTIES (VIETNAM) LTD.
100% ASUS JAPAN INCORPORATION
99% ASUS HOLDING MEXICO, S. A. DE C. V.
99% PT. ASUS SERVICE INDONESIA
99% ASUS PERU S.A.C.
100% ASUS ISRAEL (TECHNOLOGY) LTD
100% ASUS INDIA PRIVATE LIMITED
100% ASUS SPAIN, S.L.U.
100% ACBZ IMPORTACAO E COMERCIO LTDA.
100% ASUS AUSTRALIA PTY LIMITED
100% ASUS SERVICE AUSTRALIA PTY LIMITED
99.99% ASUS SERVICE (THAILAND) CO., LTD.
99.07% ASUS MIDDLE EAST FZCO
99.99% ASUS (THAILAND) CO., LTD.
50% ASUS EGYPT L. L. C.
100% ASUS PHILIPPINES CORPORATION
100% AUTOASUS ELECTRONICS (SHANGHAI) CO., LTD.
100% ASUSTEK COMPUTER (SHANGHAI) CO., LTD.
100% PUSHKO CULTURE MEDIA (SHANGHAI) CO., LTD.
100% ASUSTEK COMPUTER (CHONGQING) CO., LTD.
100% ASUS TECHNOLOGY (SUZHOU) CO., LTD.
100% ASUS INVESTMENTS (SUZHOU) CO., LTD.
100% ASUS COMPUTER (SHANGHAI) CO., LTD.

MANAGEMENT

Directors

Our board of directors (our "**Board of Directors**") is responsible and has general powers for the management of our business and affairs. Our Board of Directors is our highest governing body and its principal responsibilities include reviewing our business performance, preventing conflicts of interest, and ensuring compliance with applicable laws and regulations. Our Board of Directors meets at least once per quarter, and its proceedings are conducted in accordance with our Board Meeting Rules of Procedure. Our Articles of Incorporation provide for a board comprising no less than 13 and no more than 15 directors ("**Directors**"), among whom at least three Directors and no less than one-fifth of the Directors shall be independent directors ("**Independent Directors**"). We currently have 15 Directors, including five Independent Directors. The term of office for Directors shall be three years. Independent directors' tenure shall not exceed three terms. Our Board of Directors is composed of members with diverse professional backgrounds, including technology, R&D, brand management, finance and accounting, investment, and corporate governance, with experience spanning the technology, consumer electronics, semiconductor and digital industries.

All of our Directors were elected or re-elected on May 28, 2025 for a three-year term running from May 28, 2025 to May 27, 2028.

Each of our Directors listed below can be reached at our headquarters located at No. 15, Lide Rd., Beitou Dist., Taipei City 112019, Taiwan (R.O.C.).

The following table shows shareholding information with respect to each Director as of March 31, 2026:

Name	Position	Number of Shares held	Percentage of Shares held
Jonney Shih	Chairman & Chief Branding Officer	30,093,638	4.05%
Ted Hsu	Vice Chairman & Chief Strategy Officer	7,346,683	0.99%
Jonathan Tsang	Director	1,423,093	0.19%
S.Y. Hsu	Director & Co-Chief Executive Officer	107,019	0.01%
Samson Hu	Director & Co-Chief Executive Officer	100,592	0.01%
Eric Chen	Director	157,527	0.02%
Joe Hsieh	Director & Chief Operating Officer	5,000	0.00%
Jackie Hsu	Director	21,000	0.01%
Sandy Wei	Director	1,557,446	0.21%
Tze-Kaing Yang	Director	—	0.00%
Audrey Tseng	Independent Director	—	0.00%
Andy Guo	Independent Director	—	0.00%
Lee-Feng Chien	Independent Director	—	0.00%
Shyan-Yuan Lee	Independent Director	—	0.00%
Shuen-Zen Liu	Independent Director	—	0.00%

Mr. Jonney Shih is our Chairman and Chief Branding Officer. Mr. Shih has presided as the Chairman of our Company since 1993. Under Mr. Shih's leadership, ASUSTeK has won BusinessWeek's InfoTech 100 for ten consecutive years and was ranked number one in quality and services by the Wall Street Journal Asia in 2009. Mr. Shih holds a bachelor's degree in electrical engineering from National Taiwan University and an MBA degree from National Chao Tung University.

Mr. Ted Hsu is the Vice Chairman and Chief Strategy Officer of our Company. Mr. Hsu previously served as Vice President of Pegatron. Mr. Hsu joined our Company in its early days and has held managerial roles overseeing R&D, supply chain management and production, possessing deep software and hardware R&D capability. Mr. Hsu also currently serves as Chairman of ASUS TECHNOLOGY PTE. LIMITED, ASUS GLOBAL PTE. LTD., ASMEDIA TECHNOLOGY INC., and eBizprise Inc., and as a director of Pegatron Corporation, TTY Biopharm Co., Ltd., iMotion Group Inc., EUSOL Biotech Co., Ltd., Huasyn Biomedical Co., Ltd., A2+ BIOTECH CONSULTING CO., LTD., HONG WEI INVESTMENT CO., LTD., Buddhist Tzu Chi

Medical Foundation, and UNIMAX ELECTRONICS INC. Mr. Hsu holds an EMBA from National Chiao Tung University.

Mr. Jonathan Tsang is a Director of our Company. Mr. Tsang joined our management team in 1997 and retired at the end of 2024. Mr. Tsang contributed to the strategic development of our Company's IoT, communications, cloud computing, and smart home/smart city businesses, and possesses experience in industrial operations, marketing management and corporate business. Mr. Tsang also currently serves as a director of AAEON TECHNOLOGY INC., Hua-Cheng Venture Capital Corp., Hua-Min Investment Co., Ltd., and KARTIGEN BIOMEDICINE INC. Mr. Tsang holds an MBA from the University of Houston. Mr. Tsang is related to Chairman Jonney Shih within the second degree of consanguinity.

Mr. S.Y. Hsu is a Director and Co-Chief Executive Officer of our Company. Mr. Hsu previously served as an engineer at Won-Chuan Co., Ltd. Mr. Hsu joined our Company in 1993 and led the development of the EeePC, which was recognized by Harvard Business Review as a sustainability innovation. He pioneered a "design thinking" approach and is currently focused on new business models for the Company. Mr. Hsu also currently serves as Chairman of UPI Semiconductor Corp., and as a director of AAEON TECHNOLOGY INC., Hua-Cheng Venture Capital Corp., APAQ TECHNOLOGY CO., LTD., and ASUS COMPUTER INTERNATIONAL. Mr. Hsu holds an EMBA from National Chengchi University and an EMBA from the National Taiwan University-Fudan University College of Management.

Mr. Samson Hu is a Director and Co-Chief Executive Officer of our Company. Mr. Hu previously served as Junior Vice President of Acer. Mr. Hu joined our Company in 2001 and led "design thinking" product development including the Transformer Pad, extended the "**User-Centered**" concept to customer service, and advanced ESG initiatives including RE100. Mr. Hu also currently serves as Chairman of JOGEEK TECHNOLOGY LIMITED, and as a director of ASUS CLOUD CORPORATION, ASUS TECHNOLOGY INCORPORATION, Hua-Min Investment Co., Ltd., ASKEY, ASUS COMPUTER INTERNATIONAL, TAIWAN AI CLOUD CORPORATION, and ASUS MAAS CORPORATION. Mr. Hu holds a master's degree from the Institute of Computer Science, National Chiao Tung University, and an EMBA from National Chengchi University.

Mr. Eric Chen is a Director of our Company. Mr. Chen is also Corporate Vice President of ASUS Global Ltd. Mr. Chen joined ASUS in 1994 and has accumulated expertise in brand development, marketing, global sales and new market planning. Mr. Chen holds a bachelor's degree from the Department of Mathematics, Tamkang University.

Mr. Joe Hsieh is a Director and Chief Operating Officer of our Company. Mr. Hsieh previously served as an engineer at ASUS (USA). Mr. Hsieh joined our Company in 1991, led the motherboard team and developed the Republic of Gamers series and AiO PCs, and now focuses on cloud computing, IoT and AI-based healthcare solutions. Mr. Hsieh also currently serves as Chairman of ASUS TECHNOLOGY LICENSING, ASUS METAVERSE INC, DATASUS COMPUTER INC., ASUS CLOUD CORPORATION, TAIWAN AI CLOUD CORPORATION, ASUS MAAS CORPORATION, KUO-CHENG ENTERPRISE CO., LTD., SHUN-MAO INVESTMENT, and ASUS TECH USA, and as a director of ASUS LIFE CORPORATION, TAIWAN HEALTH AND BIO DATABANK TECHNOLOGY INC., ASUS COMPUTER INTERNATIONAL, DATASUS COMPUTER AMERICA, GOING CHAMPION ENTERPRISE CO., LTD., NATIONAL FIBER TECHNOLOGY, and Shine Mao Invest Inc. Mr. Hsieh holds a bachelor's degree in computer engineering from Boston University and an EMBA from National Taiwan University.

Mr. Jackie Hsu is a Director of our Company. Mr. Hsu joined our Company in 1996 and has led continuous innovation of open platforms and AIoT business groups, and has served in major markets including the United States and China. Mr. Hsu also currently serves as a director of PORTWELL INC., DATASUS COMPUTER INC., ASUS TECH USA, and DATASUS COMPUTER AMERICA. Mr. Hsu holds an M.S. degree.

Ms. Sandy Wei is a Director of our Company and currently serves as CEO of the ASUS Foundation. Ms. Wei joined ASUS in its early days and has served as chief accountant and Chief Financial Officer, promoted the Company's IPO, and served as head of sustainability. Ms. Wei also currently serves as Supervisor of ASUS TECHNOLOGY INCORPORATION and as a director of GREEN & GOOD LIFE CO., LTD. Ms. Wei holds a B.A. in Fashion Design from Shih Chien University.

Mr. Tze-Kaing Yang is a Director of our Company. Mr. Yang previously served as President of China Development Industrial Bank, policy advisor to the Executive Yuan, Executive Secretary of the National

Development Fund of Taiwan, Political Deputy Minister of the Ministry of Finance, R.O.C., and acting Chairman of the Bank of Taiwan, and has taught at National Chengchi University and National Chiao Tung University, specializing in finance and economics. Mr. Yang is not an employee of the Company or its subsidiaries. Mr. Yang also currently serves as Chairman of Yangtze Associates and as a director of Huiyang Private Equity Fund Co., Ltd., Airiti Inc., Pegatron Corporation, TTY Biopharm Co., Ltd., and Huicheng Capital. Mr. Yang holds a Ph.D. in business administration from National Chengchi University.

Ms. Audrey Tseng is an Independent Director of our Company. Ms. Tseng previously served as Deputy Managing Partner of PwC Taiwan and Synergy Leader for PwC Greater China. She possesses expertise in organizational structure, management rights planning, capital structure planning, corporate governance, cross-border management, operational management, tax management, auditing and assurance. Ms. Tseng serves as Convener of the Audit Committee and the Sustainability Committee, and as a member of the Remuneration Committee and the BCM Committee. Ms. Tseng also currently serves as a director of St.Shine Optical Co., Ltd., StoneHedge Biotech Corp., Onward Therapeutics Co., Ltd., and All BioScience Co., Ltd., and as an Independent Director of Coretronic Corporation, Bionime Corporation, and Delta Electronics, and as Supervisor of Taiwan Bio-Manufacturing Corporation. Ms. Tseng holds an EMBA from the National Taiwan University/Fudan University program and an M.S. in accounting from National Chengchi University. Ms. Tseng is also an Adjunct Professor at National Yang Ming Chiao Tung University.

Mr. Andy Guo is an Independent Director of our Company. Mr. Guo previously served at the R&D Center of National Semiconductor. He is currently a Professor in the Department of Business Administration at National Taiwan University and President of Chien Hsin University of Science and Technology, with expertise in strategic planning, corporate transformation, talent development and new business development. Mr. Guo serves as Convener of the Remuneration Committee and the BCM Committee, and as a member of the Audit Committee and the Sustainability Committee. Mr. Guo holds a Ph.D. from the Massachusetts Institute of Technology.

Mr. Lee-Feng Chien is an Independent Director of our Company. Mr. Chien previously served as Deputy Director of Academia Sinica, Professor at National Taiwan University, and Managing Director of Google Taiwan. He currently holds board positions at Appier, iKala, and the Junyi Academy Foundation, and is active in AI, innovation and entrepreneurship. Mr. Chien serves as a member of the Audit Committee, the BCM Committee, and the Sustainability Committee. Mr. Chien also currently serves as a director of Chunghwa Telecom and as an Independent Director of Airoha Technology Corp., Uni-President Enterprises Corp., Appier Group Inc. (Japan), and Kkday Holdings Co., Ltd. (Japan). Mr. Chien holds a Ph.D. from the Institute of Information Science and Engineering, National Taiwan University.

Mr. Shyan-Yuan Lee is an Independent Director of our Company. Mr. Lee is currently a Professor in the Department of Finance at National Taiwan University, specializing in fixed income, structured finance and financial innovation. He previously served as a Commissioner of the Financial Supervisory Commission (FSC). Mr. Lee serves as a member of the Audit Committee, the BCM Committee, and the Sustainability Committee. Mr. Lee also currently serves as an Independent Director of Taishin International Bank. Mr. Lee holds a Ph.D. in finance from Columbia University, New York City, U.S.A.

Mr. Shuen-Zen Liu is an Independent Director of our Company. Mr. Liu previously served as Chair of the Department of Accounting at National Taiwan University. Mr. Liu serves as a member of the Remuneration Committee, the Audit Committee, the BCM Committee, and the Sustainability Committee. Mr. Liu also currently serves as an Independent Director of Alltek Technology Corp. Mr. Liu holds a Ph.D. in accounting from the University of Pittsburgh, U.S.A.

Executive Officers

The following table sets forth shareholding information relating to our senior executive officers as of March 31, 2026:

Name	Position	Number of Shares held	Percentage of Shares held
Jonney Shih	Chairman & Chief Branding Officer	30,093,638	4.05%
Ted Hsu	Vice Chairman & Chief Strategy Officer	7,346,683	0.99%
S.Y. Hsu	Director & Co-Chief Executive Officer	107,019	0.01%
Samson Hu	Director & Co-Chief Executive Officer	100,592	0.01%
Joe Hsieh	Director & Chief Operating Officer	5,000	0.00%

Name	Position	Number of Shares held	Percentage of Shares held
Nick Wu	Chief Financial Officer & Spokesperson	457	0.00%
Francy Jeng	Corporate Governance Officer	38,000	0.01%
Paul Ju	Senior Corporate Vice President	—	0.00%
Henry Yeh	Corporate Vice President	48,781	0.01%
Albert Chang	Corporate Vice President	15,000	0.00%
Tenlong Deng	Corporate Vice President	182	0.00%
Kent Chien	Corporate Vice President	745	0.00%
Vincent Chiou	Corporate Vice President	126	0.00%
Benson Lin	Corporate Vice President	5,039	0.00%
Allen Wang	Corporate Vice President	—	0.00%
Rangoon Chang	Corporate Vice President	—	0.00%

Please refer to "—Directors" above for details regarding Mr. Jonney Shih, Mr. Ted Hsu, Mr. S.Y. Hsu, Mr. Samson Hu and Mr. Joe Hsieh.

Mr. Nick Wu is the Chief Financial Officer and spokesperson of our Company. Mr. Wu previously served as Deputy Manager at China Development Industrial Bank. Mr. Wu also currently serves as a director of UPI Semiconductor Corp., Excelliance MOS Corp., ASUSTOR Inc., ASUS PROPERTIES (VIETNAM) LTD, DATASUS COMPUTER INC., ASUS TECH USA, and DATASUS COMPUTER AMERICA, and as Supervisor of Hua-Min Investment Co., Ltd., Hua-Cheng Venture Capital Corp., LELTEK, TAIWAN AI CLOUD CORPORATION, UNIMAX ELECTRONICS INC., ASUS CLOUD, ASUS TECHNOLOGY LICENSING, and Taiwan Bio-Information & Technology Inc. Mr. Wu holds an MBA from Vanderbilt University.

Ms. Francy Jeng is the Corporate Governance Officer of our Company. Ms. Jeng previously served as Division Director of the Stock Affairs Office of ASUS. The Company's Stock Affairs Office is the dedicated unit for corporate governance, and the Head of the Stock Affairs Office has been appointed by the Board as Corporate Governance Officer, responsible for overseeing all corporate governance matters including director meeting administration, assisting directors with onboarding, compliance and continuing education, handling board membership changes, and conducting performance evaluations of the Board and functional committees. Ms. Jeng holds a bachelor's degree from the Department of Accounting and Statistics, Takming University.

Mr. Paul Ju is a Senior Corporate Vice President of our Company. Mr. Ju previously served as Senior Vice President of Dell Computers Global and General Manager of Data Centers for Greater China Region. Mr. Ju holds a master's degree in computer science from the Polytechnic School of Engineering, New York University.

Mr. Henry Yeh is a Corporate Vice President of our Company. Mr. Yeh previously served as Vice President of TwinHead. Mr. Yeh also currently serves as a director of Power eXponent, Ltd and ASUS LIFE CORPORATION. Mr. Yeh holds a bachelor's degree from the Department of Electrical Engineering, National Taiwan University.

Mr. Albert Chang is a Corporate Vice President of our Company. Mr. Chang previously served as Motherboard Business Unit Product R&D Center AVP of ASUS. Mr. Chang also currently serves as Chairman of SHINEWAVE INTERNATIONAL INC. and as a director of PORTWELL INC., UPI Semiconductor Corp., and LELTEK. Mr. Chang holds a Ph.D. in electrical engineering from National Taiwan University.

Mr. Tenlong Deng is a Corporate Vice President of our Company. Mr. Deng previously served as a Senior Manager at the Industrial Technology Research Institute. Mr. Deng holds a master's degree in communications engineering from National Chiao Tung University.

Mr. Kent Chien is a Corporate Vice President of our Company. Mr. Chien previously served as a Project Manager at the China Productivity Center. Mr. Chien also currently serves as Chairman of UNIMAX ELECTRONICS INC. and SHINYOPTICS CORP., and as a director of ASUS METAVERSE INC. Mr. Chien holds a master's degree in business administration from National Cheng Kung University.

Mr. Vincent Chiou is a Corporate Vice President of our Company. Mr. Chiou previously served as Display Business Unit AVP. Mr. Chiou holds a master's degree from the Institute of Computer Science, National Chiao Tung University.

Mr. Benson Lin is a Corporate Vice President of our Company. Mr. Lin previously served as Corporate Vice President of CC BU, ASUS. Mr. Lin also currently serves as a director of TAIWAN AI CLOUD CORPORATION and Freedom Systems Inc. Mr. Lin holds an EMBA from National Chiao Tung University.

Mr. Allen Wang is a Corporate Vice President of our Company. Mr. Wang previously served as Director of Research and Development at Lenovo (Beijing) Information Technology Co., Ltd. Mr. Wang holds a master's degree in computer engineering from National Chiao Tung University.

Mr. Rangoon Chang is a Corporate Vice President of our Company. Mr. Chang previously served as a Senior Engineer at Micro-Star Technology. Mr. Chang also currently serves as Executive Director of JINSHUO CULTURAL DIFFUSION CO., LTD. Mr. Chang holds a master's degree from the Institute of Control Engineering, National Chiao Tung University.

Audit Committee

Our audit committee shall consist of all Independent Directors, at least one of whom shall specialize in accounting or finance. The terms of office for audit committee members are three years, and they may serve any number of consecutive terms upon election. Our audit committee meets at least once per quarter. Our audit committee currently comprises Audrey Tseng (Convener), Andy Guo, Lee-Feng Chien, Shyan-Yuan Lee and Shuen-Zen Liu. At each quarterly meeting, our certified public accountants report on the results of their audit or review of our financial statements, and our internal audit supervisor reports on the execution of internal audits and the status of internal control operations. The Company's certifying auditors are CPA Chang, Shu-Chiun and CPA Hsu, Sheng-Chung of PricewaterhouseCoopers, Taiwan.

The primary purposes of our audit committee are:

- Fair presentation of our financial statements, and supervision of our financial reporting process;
- Appointment and dismissal of the certified public accountants of our Company, assessment of their independence and competence, and determination of their compensation;
- Establishment, amendment and assessment of the effectiveness of our internal control system;
- Compliance with relevant laws and regulations; and
- Control over existing and potential risks of our Company.

Remuneration Committee

Our remuneration committee shall consist of not less than three members, whose professional qualifications and independence comply with Articles 5 and 6 of the Guidelines for Functions in Remuneration Committee. The members of our remuneration committee shall be appointed by the Board of Directors through resolutions. The terms of office for remuneration committee members shall be consistent with their terms of office in the Board of Directors (currently from May 28, 2025 to May 27, 2028, being the 6th term). Our remuneration committee operates with the objectives of strengthening corporate governance and risk management, and evaluating and supervising the remuneration system for our Directors and senior management with a view to incentivizing and retaining talent. Our remuneration committee currently comprises Andy Guo (Convener), Audrey Tseng and Shuen-Zen Liu.

Our remuneration committee is responsible for, among other things:

- Periodically reviewing the committee guidelines and proposing revisions;
- Formulating and periodically reviewing the performance appraisal policy, system, standards and structure for directors' and managers' salary and remuneration;
- Periodically evaluating and specifying salary and remuneration for Directors and managers, subject to the principles that remuneration must comply with applicable laws and be sufficient

to attract and retain suitable talent, shall reference peer standards, and shall not incentivize Directors or senior management to engage in conduct that exceeds our risk appetite.

Business Continuity Management Committee

Our Business Continuity Management Committee (the "**BCM Committee**") is composed of all Independent Directors. The BCM Committee currently comprises Andy Guo (Convener/Chair), Audrey Tseng, Lee-Feng Chien, Shyan-Yuan Lee and Shuen-Zen Liu.

- Our BCM Committee is responsible for, among other things:
- Overseeing our business continuity management, including the development and review of business continuity plans and emergency response procedures to ensure the rapid recovery of operations in the event of a major incident or disaster;
- Formulating and periodically reviewing our risk management policies, procedures and framework, including determining our risk appetite and guiding the prioritization of resources and risk controls;
- Ensuring risk management mechanisms address Company risks and are integrated into daily operations;
- Determining priority and risk levels;
- Reviewing the implementation of risk management and reporting to the Board of Directors at least annually; and
- Implementing Board risk management decisions.

Sustainability Committee

We have established a Corporate Sustainability Committee (approved by the Board of Directors), reporting directly to the Board of Directors, comprising all Independent Directors and senior executives including the Co-Chief Executive Officers. The Sustainability Committee is responsible for overseeing the formulation and execution of sustainability strategies and ensuring ESG performance aligns with international benchmarks, with regular annual reports to the Board of Directors. Sustainability performance is linked to the variable compensation of senior executives, including the Co-CEOs, COO, and Chief Sustainability Officer.

Compensation

In 2023, 2024 and 2025, the aggregate remuneration paid by us and our consolidated subsidiaries to our directors and executive officers as a group was approximately NT$331.9 million, NT$457.8 million and NT$537.4 million, respectively.

In 2023, we launched an Employee Stock Ownership Trust, which allows employees with more than one year of service to participate. Under this program, we and participating employees contribute to the trust on a matching 1:1 basis. We believe this initiative reflects our sustainable management approach to employee retention, provides additional support for employees' retirement, and enables employees to share directly in our business achievements and operating performance.

We have not issued any employee stock options, and there are no outstanding employee stock options as of the date of this Offering Circular.

PRINCIPAL SHAREHOLDERS

The following table sets forth certain information as of July 7, 2026, the most recent record date, with respect to the Common Shares owned by each of our ten largest shareholders:

Name	Number of Shares	Percentage of Shares
Taishin International Commercial Bank Co., Ltd. as Custodian	38,537,000	5.19%
Capital Taiwan Select High Dividend ETF	33,950,000	4.57%
Yuanta/P-shares Taiwan Dividend Plus ETF	33,693,644	4.54%
Jonney Shih	30,093,638	4.05%
Cathay United Bank in Custody for Infinity No. 1 Company Investment Account	20,684,542	2.78%
ASUS's Certificate of Depository with Citibank (Taiwan)	19,517,927	2.63%
Nan Shan Life Insurance Co., Ltd.	15,613,000	2.10%
Yuanta/P-shares Taiwan Top 50 ETF	14,513,402	1.95%
New Labor Pension Fund	12,470,984	1.68%
JPMorgan Chase Bank, N.A. in Custody for Robeco Capital Growth Fund Investment Account	10,226,500	1.38%

CHANGES IN ISSUED SHARE CAPITAL

The following table sets forth the changes in our issued share capital since 2000.

Date of Issue/Cancellation	Type of Issue/Cancellation	Number of Shares Issued/ Cancelled	Total Number of Issued Shares after the Issue/ Cancellation
June 2000	Issuance of 420,704,000 Common Shares from retained earnings	420,704,000	1,567,104,000
June 2001	Issuance of 409,776,000 Common Shares from retained earnings	409,776,000	1,976,880,000
July 2002	Issuance of 22,000,000 Common Shares from retained earnings	22,000,000	1,998,880,000
July 2003	Issuance of 282,860,000 Common Shares from retained earnings	282,860,000	2,281,740,000
August 2004	Issuance of 271,174,000 Common Shares from retained earnings	271,174,000	2,552,914,000
July 2005	Issuance of 308,291,400 Common Shares from retained earnings	308,291,400	2,861,205,400
December 2005	Issuance of 59,592,835 Common Shares for share exchange with Advantech Co., Ltd.	59,592,835	2,920,798,235
January 2006	Issuance of 3,722,620 Common Shares due to conversion of convertible bonds.	3,722,620	2,924,520,855
March 2006	Issuance of 73,662,961 Common Shares for share swap with Askey Computer.	73,662,961	2,998,183,816
April 2006	Issuance of 41,879,951 Common Shares due to conversion of convertible bonds.	41,879,951	3,040,063,767
August 2006	Issuance of 367,006,377 Common Shares from retained earnings	367,006,377	3,407,070,144
April 2007	Issuance of 5,012,766 Common Shares due to conversion of convertible bonds.	5,012,766	3,412,082,910
September 2007	Issuance of 240,604,146 Common Shares from retained earnings	240,604,146	3,652,687,056
September 2007	Issuance of 29,824,561 Common Shares due to share exchange with Ability Enterprise Co., Ltd.	29,824,561	3,682,511,617
October 2007	Issuance of 25,995,183 Common Shares due to conversion of convertible bonds.	25,995,183	3,708,506,800
January 2008	Issuance of 19,852,146 Common Shares due to conversion of convertible bonds.	19,852,146	3,728,358,946
April 2008	Issuance of 12,292,771 Common Shares due to conversion of convertible bonds.	12,292,771	3,740,651,717
August 2008	Issuance of 11,179,802 Common Shares due to conversion of convertible bonds.	11,179,802	3,751,831,519
September 2008	Issuance of 494,065,172 Common Shares from retained earnings	494,065,172	4,245,896,691
October 2008	Issuance of 154,578 Common Shares due to conversion of convertible bonds.	154,578	4,246,051,269
July 2009	Cancellation of 26,125,000 Common Shares for repurchase of treasury stock	26,125,000	4,219,926,269
August 2009	Issuance of 26,851,215 Common Shares from retained earnings	26,851,215	4,246,777,484
June 2010	Cancellation of 3,609,760,861 Common Shares for implementation of the spin-off and capital reduction according to Taiwan regulations	3,609,760,861	637,016,623
September 2010	Cancellation of 10,000,000 Common Shares for repurchase of treasury stock	10,000,000	627,016,623
March 2011	Cancellation of 10,000,000 Common Shares for repurchase of treasury stock	10,000,000	617,016,623

Date of Issue/Cancellation	Type of Issue/Cancellation	Number of Shares Issued/ Cancelled	Total Number of Issued Shares after the Issue/ Cancellation
August 2011	Issuance of 135,743,657 Common Shares from retained earnings	135,743,657	752,760,280
November 2013	Cancellation of 10,000,000 Common Shares for repurchase of treasury stock	10,000,000	742,760,280

As of September 10, 2026, we had 742,760,280 Common Shares outstanding.

TRANSACTIONS WITH RELATED PARTIES

We have from time to time engaged in a variety of transactions with our related parties (as defined under ROC GAAP), our subsidiaries, our investee companies and their affiliates.

The following is a summary of the significant related party transactions with related parties for the years ended December 31, 2023, 2024 and 2025 and six months ended June 30, 2026. For more complete information of related party transactions, you should read note 7 to our audited consolidated financial statements as of and for the years ended December 31, 2023, 2024 and 2025 and the note 7 to our reviewed consolidated financial statements as of and for the six months ended June 30, 2026 included elsewhere in this Offering Circular.

Sales of goods

	For the Year ended December 31,			For the Six months ended June 30,
	2023	2024	2025	2026
				(Unaudited)
	(NT$ in thousands)			
Associates	618,824	1,000,789	1,339,932	586,746
Others	59,615	54,016	10,109	2,105
Total	678,439	1,054,805	1,350,041	588,851

The collection periods of the Group to related parties are pay on delivery, open account 30 to 90 days and month-end 30 to 90 days or negotiated by both parties.

Purchases of goods and expenses

	For the Year ended December 31,			For the Six months ended June 30,
	2023	2024	2025	2026
				(Unaudited)
	(NT$ in thousands)			
Purchases of goods				
Associates	3,421,699	3,326,186	4,524,659	1,496,197
Others	116,646	133,357	128,514	28,020
Purchases of services and other expenditures				
Associates	32,887	29,665	76,547	17,322
Others	35,264	43,506	27,954	17,925
Total	3,606,496	3,532,714	4,757,674	1,559,464

The payment term of related parties to the Group are month-end 30 to 120 days, current month-end 90 to 120 days and open account 120 days.

Trade receivables and other receivables

	For the Year ended December 31,			For the Six months ended June 30,
	2023	2024	2025	2026
				(Unaudited)
	(NT$ in thousands)			
Trade receivables				
Associates	65,392	43,646	72,264	124,195
Others	35,787	268	448	1,236
	101,179	43,914	72,712	125,431
Other receivables				
Associates				
WT Microelectronics Co., Ltd.	—	—	—	1,488,024
Others	358	337	371	94,181
Others	—	261	212	15,725
	358	598	583	1,597,930
Total	101,537	44,512	73,295	1,723,361

The trade receivables mainly arise from sales transactions, are unsecured in nature and bear no interest. The other receivables mainly pertain to settlement receivable and advance disbursement receivable.

Trade payables and other items of current liabilities

	For the Year ended December 31,			For the Six months ended June 30,
	2023	2024	2025	2026
				(Unaudited)
		(NT$ in thousands)		
Trade payables				
Associates	1,192,246	1,508,464	1,606,875	1,222,152
Others	42,391	61,590	49,271	25,170
	1,234,637	1,570,054	1,656,146	1,247,322
Other items of current liabilities				
Associates	24,619	33,106	80,588	453,376
Others	97	—	—	18,923
	24,716	—	—	472,299
Total	1,259,353	1,603,160	1,736,734	1,719,621

The trade payables arise mainly from purchase transactions and bear no interest.

DESCRIPTION OF OUR SHARE CAPITAL

*Set forth below is certain information relating to our capital stock, including brief summaries of certain provisions of our Articles of Incorporation, the Securities and Exchange Act of the ROC (the "**ROC Securities and Exchange Act**") and the regulations promulgated thereunder, and the Company Act of the ROC (the "**ROC Company Act**").*

General

We were incorporated on April 2, 1990 as a company limited by shares under the ROC Company Act. Our current authorized and paid-in share capital is NT$47,500,000,000 and NT$7,427,602,800 respectively, divided into 4,750,000,000 and 742,760,280 Common Shares, respectively, of which 50,000,000 Common Shares have been reserved for the issuance of employee stock options. All of our issued and outstanding Common Shares are fully paid and in registered form.

Dividends and Distributions

Except in limited circumstances, the ROC Company Act does not permit us to distribute dividends or make any other distributions to shareholders in respect of any year in which we did not record net income. The ROC Company Act also requires that 10% of our annual net income, after deduction of prior years' losses, be set aside as a legal reserve until the accumulated legal reserve equals our paid-in capital. In addition, our Articles of Incorporation require that no less than 1% and no more than 1% of our annual net income (after adjustment for losses incurred in prior years and deduction of the legal reserve and special reserve, if required) be paid to employees as bonuses and to the directors as remuneration, respectively. The remainder of our annual net income (subject to compliance with the requirements mentioned above) may be distributed as dividends to shareholders as proposed by the Board of Directors and approved by the shareholders at the shareholders meeting.

At the annual general meeting of our shareholders, our board of directors submits to our shareholders for their approval our financial statements for the preceding fiscal year and any proposal for the distribution of dividends or the making of any other distribution to shareholders from our net income (subject to compliance with the requirements mentioned above) for the preceding fiscal year. All Common Shares issued and outstanding and fully paid as of the relevant record date are entitled to share equally in any dividend or other distribution approved by the shareholders. Dividends may be distributed in cash, in the form of Common Shares or a combination of cash and Common Shares, as determined by our shareholders at the annual general meeting. Our Articles of Incorporation, as last amended on May 28, 2025, provide that not less than 10% of the total dividend to shareholders shall be in the form of cash.

In addition to permitting dividends to be paid out of net income, the ROC Company Act also permits us to make distributions to our shareholders of additional Common Shares by capitalizing our reserves (including the legal reserve, any special reserves and capital surpluses).

Cash dividends which are unclaimed for a period of five years from the date of the relevant notice of distribution may no longer be claimed. However, stock dividends are not subject to any prescription period under ROC law. Thus, uncollected stock dividends will remain in our safekeeping and continue to be claimable by the relevant shareholders.

For information on the dividends paid by us in recent years, see "Dividends and Dividend Policy." For information as to ROC taxes on dividends and other distributions, see "Taxation."

Changes in Share Capital and Pre-emptive Rights

The ROC Company Act and the ROC Securities and Exchange Law provide that any change in the authorized share capital of a company limited by shares, such as ours, requires an amendment to the company's articles of incorporation approved by the shareholders at a shareholders' meeting. In addition, for a public company such as ours, the approval of the FSC is required if the paid-in capital is increased. Approval of the Ministry of Economic Affairs is also required for changes to our authorized and paid-in share capital. Our authorized but unissued Common Shares may be issued at such times and, subject to the provisions of the ROC Company Act and the ROC Securities and Exchange Law mentioned below, upon such terms as our board of directors may determine.

Under the ROC Company Act, when we issue new Common Shares for cash, our existing shareholders who are listed on our shareholders' register as of the record date have pre-emptive rights to subscribe for the new

issue in proportion to their existing shareholdings. In addition, our employees, whether or not they are shareholders, have rights to subscribe for 10% to 15% of the new issue as determined by our board of directors. Any new Common Shares that remain unsubscribed by either our existing shareholders or our employees at the end of the subscription period may be offered to the public or designated persons by us.

In addition, in accordance with the ROC Securities and Exchange Law, normally, a public company, such as ours, whose securities are listed on the TWSE that intends to offer new shares for cash must offer to the public at least 10% of these shares. This percentage may be increased by a resolution passed at our shareholders' meeting, thereby diminishing the number of new Common Shares subject to the preemptive rights of existing shareholders.

Meetings of Shareholders

Meetings of our shareholders may be ordinary meetings or extraordinary meetings. Ordinary meetings of our shareholders are generally held in Taipei, Taiwan, within six months following the end of each fiscal year.

Extraordinary meetings may be convened by our board of directors by passing a board resolution or by our board of directors upon the written request of any shareholder or shareholders who has or have held three percent or more of our issued and outstanding Common Shares for a period exceeding one year. Extraordinary meetings of our shareholders may also be convened by the audit committee. Notice in writing of our shareholders' meetings, stating the place, time and purpose of the meeting, must be dispatched to each shareholder of record at least 30 days (in the case of ordinary meetings) and at least 15 days (in the case of extraordinary meetings) prior to the date set for the meeting.

Voting Rights

Except for Shares held by us, the ROC Company Act and our Articles of Incorporation provide that a holder of Common Shares has one vote for each Common Share held. There is cumulative voting for the election of directors. Ballots for the election of directors are cast separately from those for the election of independent directors. Candidates for the election of directors are nominated by our shareholders at our shareholders' meeting at which ballots for the election are cast. Except as otherwise provided by law, a resolution can be adopted by the holders of at least a majority of the Common Shares represented at our shareholders' meeting at which the holders of a majority of all issued and outstanding Common Shares are present. Under the ROC Company Act, however, to approve certain major corporate actions, including any amendment to the articles of incorporation (which is required, among other things, for any increase in the authorized share capital), the dissolution or amalgamation of a company, the merger or spin-off, the transfer of the whole or a substantial part of a company's business or assets, the taking over of the whole of the business of another company, which would have a significant impact on the company's operations, the distribution of any stock dividend, or the removal of directors, a meeting of the shareholders must be convened with a quorum of holders of at least two-thirds of all issued and outstanding shares at which the shareholders of at least a majority of the Common Shares represented at the meeting vote in favor of the corporate action. Alternatively, the ROC Company Act provides that in the case of a public company, such as ours, a resolution to approve these major corporate actions may be adopted by the holders of at least two-thirds of the Common Shares represented at a meeting of shareholders at which holders of at least a majority of issued and outstanding Common Shares are present.

When one company and another company hold more than one-third of the total outstanding shares in each other and both companies are aware of the fact of such relationship, the votes cast by one company in the shareholders' meeting of the other company shall not exceed one-third of the total number of the voting shares (or one-third of the total amount of the equity capital of the other company); *provided*, *however*, that such limitation will not apply to the votes of new Common Shares issued by way of the capitalization of the retained earnings or the legal reserves.

A shareholder may be represented at our ordinary or extraordinary meetings by proxy if a valid proxy form is delivered to us at least five (5) days prior to the commencement of the ordinary or extraordinary meeting.

Except for trust enterprises or share transfer agents approved by the FSC, where one person is appointed as proxy by two or more shareholders who together hold more than 3% of our total issued Common Shares, the votes of those shareholders in excess of 3% of our total issued Common Shares will not be counted. Voting rights attached to our Common Shares that are exercised by our shareholders' proxy shall be subject to ROC proxy regulations.

Any shareholder who has a personal interest in a matter to be discussed at our shareholders' meeting, the outcome of which may impair our interests, shall not vote or exercise voting rights nor vote or exercise voting rights on behalf of another shareholder on such matter.

Register of Shareholders and Record Dates

KGI Securities Co. Ltd. is our share registrar. Its registered office is 5F, 2, Sec. 1, Chung-Chin S. Rd., ZhongZheng Dist., Taipei City (ROC) and contact number is +886-2-2389-2999.

Under the ROC Company Act and our Articles of Incorporation, we may, by giving advance public notice, set a record date and/or close our share register for a specified period (60 days, 30 days and five (5) days, respectively, immediately before each ordinary meeting of shareholders, extraordinary meeting of shareholders and the relevant record date) in order for us to determine the shareholders that are entitled to certain rights pertaining to the Common Shares.

Other Rights of Shareholders

Under the ROC Company Act, dissenting shareholders are entitled to appraisal rights in certain major corporate actions such as a proposed amalgamation by the company. A dissenting shareholder may request the company to redeem all of the shares owned by the shareholder at a fair price determined by mutual agreement or determined by a court order if an agreement cannot be reached. Shareholders may exercise their appraisal rights by serving written notice on the company prior to the related shareholders' meeting or by raising and registering an objection at the shareholders' meeting. In addition to appraisal rights, shareholders have the right to sue for the annulment of any resolution adopted at a shareholders' meeting where the procedures or the method of resolution were legally defective within 30 days from the date on which a shareholders' resolution is adopted. Also, if the substance of a resolution adopted at a shareholders' meeting contradicts any applicable law or regulation or our Articles of Incorporation, a shareholder may bring a lawsuit with the court to determine the validity of such resolution. And in case a director has committed any act resulting in material damages to the Company or in serious violation of applicable laws or regulations, but not discharged by a resolution of the shareholders' meeting, one or more shareholders who have held more than 3% of the Company's issued and outstanding Common Shares may, within 30 days after that shareholder's meeting, institute a lawsuit in the court for a judgment in respect of the discharge of such director. One or more shareholders who have held more than one percent of the issued and outstanding shares of a company for more than six months may require the audit committee to bring a derivative action on behalf of the company against a director as a result of the director's unlawful actions or failure to act. In addition, one or more shareholders who have held more than three percent of the issued and outstanding shares of a company for more than one year may require the board of directors to convene an extraordinary shareholders' meeting by sending a written request to the board of directors.

In the event that any director, officer or shareholder who holds more than 10% of our issued and outstanding shares and their respective spouse and minor children and/or nominees sells shares within six months after the acquisition of such shares, or repurchases the shares within six months after the sale, we may make a claim for recovery of any profits realized from the sale and purchase. If our board of directors fail to make a claim for recovery, any shareholder may request that our board of directors exercise the right of claim within 30 days. In the event our directors fail to exercise such right during such 30-day period, such requesting shareholder will have the right to make a claim for such recovery on our behalf. Our directors will be jointly and severally liable for damages suffered by us as a result of their failure to exercise the right of claim.

Financial Statements

For a period of at least 10 days prior to our annual shareholders' meeting, our annual report for annual shareholders' meeting must be available at our principal office and our share registrar in Taipei for inspection by our shareholders.

Transfer of Common Shares

Under the ROC Company Act, the transfer of shares is effected by endorsement and delivery of the related share certificates. However, in order to exercise his shareholder's rights, a transferee of our Common Shares must have his name and address registered on our share register. Our shareholders are also required to file their respective specimen seals with us. The settlement of trading of Common Shares on the TWSE is carried out on the book-entry system maintained by the Taiwan Depository & Clearing Corporation (the "**TDCC**").

Acquisition of Common Shares by Us

With limited exceptions, under ROC Company Act, we are not permitted to acquire our own Common Shares.

In addition, under the Securities and Exchange Law, we may, by a board resolution adopted by majority consent at a meeting with two-thirds of our directors present, purchase our Common Shares on the TWSE or by a tender offer, in accordance with the procedures prescribed by the Securities and Futures Commission, for the following purposes:

1. to transfer Common Shares to our employees;

2. to facilitate conversions arising from bonds with warrants, preferred shares with warrants, convertible bonds, convertible preferred shares or certificates of warrants (collectively, the "**convertible securities**") issued by us; and

3. if necessary, to maintain our credit and our shareholders' equity; *provided* that the Common Shares so purchased shall be cancelled thereafter.

Common shares purchased pursuant to items 1 and 2 above shall be transferred to our employees or holders of convertible securities, as the case may be, within five years after the date of such purchase. Common shares purchased pursuant to item 3 above shall be cancelled within six months after the date of such purchase.

We are not allowed to purchase more than 10% of our total issued and outstanding Common Shares. In addition, we may not spend more than the aggregate amount of the retained earnings, the premium from issuing stock and the realized portion of the capital reserve to purchase our Common Shares.

We may not pledge or hypothecate any purchased Common Shares. In addition, we may not exercise any shareholders' rights attaching to such Common Shares. In the event that we purchase our Common Shares on the TWSE or through a tender offer, our affiliates, directors, supervisors (if any), executive officers and their respective spouses and minor children and/or nominees are prohibited from selling any of our Common Shares during the period in which we purchase our Common Shares.

According to the ROC Company Act, a controlled entity, defined as an entity in which we directly or indirectly own more than 50% of the voting shares or paid-in capital, may not purchase our Common Shares. Also, if we and a controlled entity jointly own, directly or indirectly, more than 50% of the voting shares or paid-in capital of another entity, such entity may not purchase either our Common Shares or the shares of the controlled entity.

Liquidation Rights

In the event of our liquidation, the assets remaining after payment of all our debts, liquidation expenses and taxes will be distributed pro rata to our shareholders in accordance with the ROC Company Act.

Transfer Restrictions

The ROC Securities and Exchange Law (i) requires each of our directors, supervisors (if any) executive officers or shareholders holding more than 10% of our issued and outstanding Common Shares, also collectively referred to as "insiders", to report any changes in that person's shareholding to us on a monthly basis and (ii) limits the number of shares that can be sold or transferred on the TWSE by that person per day. No insider is permitted to sell our Common Shares on the TWSE for six months from the date on which the relevant person becomes an insider.

Insiders may sell or transfer our Common Shares on the TWSE only after reporting to the FSC at least three (3) days before the transfer, *provided* that such reporting is not required of which the number of Common Shares transferred does not exceed 10,000. In addition, the number of shares that can be sold or transferred on the TWSE by any such person per day is either (i) for a company with no more than 30 million outstanding shares, 0.2% of the outstanding shares of the company; for a company with more than 30 million outstanding shares, the aggregate amount of 0.2% of the 30 million shares plus 0.1% of the outstanding shares exceeding 30 million shares, or (ii) 5% of the average trading volume (number of shares) on the TWSE for the ten consecutive trading days preceding the reporting day on which day the director, supervisors (if any), executive officer or a 10% shareholder report the intended share transfer to the FSC.

DESCRIPTION OF THE BONDS

The Bonds are to be issued under an indenture, to be dated as of September 17, 2026 (the "**Indenture**"), between ASUSTeK Computer Inc. (the "**Issuer**" or the "**Company**") and Citicorp International Limited, in its capacity as trustee (the "**Trustee**", which expression shall include its successor(s) and all persons for the time being the trustee or trustees under the Indenture). The following summary of certain provisions of the Bonds and the Indenture does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the Bonds and Indenture, including the definitions of certain terms therein. Whenever particular Sections or defined terms of the Indenture not otherwise defined herein are referred to, such Sections or defined terms are incorporated herein by reference. Copies of the Indenture will be available for inspection by any Holder (as defined below) on or after the Closing Date (as defined below) at the office of the Trustee on any weekday (excluding public holidays) at all reasonable times during normal office hours (being between 9.00 a.m. (Hong Kong time) and 3.00 p.m. (Hong Kong time)) upon prior written request and satisfactory proof of identity and holding to the Trustee.

General

Except in certain limited circumstances, the Bonds will only be issued in book-entry form.

The Bonds will be issued on or about September 17, 2026 (the date on which the Bonds are issued under the Indenture being referred to herein as the "**Closing Date**") as direct, unconditional, unsecured and unsubordinated obligations of the Issuer limited in aggregate principal amount to US$1,500,000,000 and will be redeemed on September 17, 2031 (the "**Maturity Date**") unless earlier redeemed, repurchased and canceled or converted pursuant to the terms thereof and of the Indenture.

The Bonds will not bear interest except in the limited circumstances described below in "—Events of Default; Notice and Waiver".

Each Bond will be convertible into the Common Shares (as defined below), subject to compliance with certain conditions and procedures (see "— *Conversion — Procedures; Conversion Notice; Taxes and Duties*" below), at the Holder's election on any Business Day (as defined below) during the period (the "**Conversion Period**") commencing at 9:00 a.m. (London time) on December 18, 2026 (the next day immediately after the end of a three-month period following the Closing Date) and ending at 3.00 p.m. (London time) in the location of the Conversion Agent (as defined below) on (i) September 7, 2031 (the tenth (10th) day prior to the Maturity Date) or (ii) the fifth (5th) Business Day prior to the applicable Purchase Date of such Bonds or date fixed for redemption (other than the Maturity Date) of such Bond pursuant to a notice of redemption given by the Issuer in accordance with the provisions of the Indenture. The Conversion Period shall not include any Closed Period (as defined below).

The principal of and other amounts on the Bonds will be payable in US Dollars by the Issuer pursuant to the Indenture, and the Bonds may be presented for registration of transfer, exchange or conversion, at the office or agency of the Issuer maintained for such purpose initially located at c/o Citibank, N.A., Dublin Branch, 1 North Wall Quay, Dublin 1, Ireland, being the office of Citibank, N.A., London Branch, a banking corporation organized and existing under the laws of the State of New York with limited liability, initially acting as paying agent, conversion agent and transfer agent of the Issuer (the "**Paying Agent**" or "**Conversion Agent**" or "**Transfer Agent**", including any of their successors).

The Issuer reserves the right, subject to the provisions of the Indenture and a paying agent and registrar appointment letter entered into between the Issuer and the Agents on or about the Closing Date (the "**Paying Agent and Registrar Appointment Letter**"), at any time to vary or terminate the appointment of the Paying Agent and to appoint further or other Paying Agents, provided that the Issuer will at all times maintain a Paying Agent. Notice of any such termination or appointment and of any changes in the specified offices of the Paying Agent will be given promptly by the Issuer to the Holders (and other applicable parties) in accordance with the notice provisions of the Indenture as described below under "— *Notices*".

The Bonds will be issued only in fully registered form, without interest coupons, at 100% of par value in denominations of US$200,000 and any integral multiples of US$100,000 in excess thereof. See "— *Book Entry; Delivery and Form*" below. No service charge will be payable for any registration of transfer or exchange of the Bonds, for the conversion thereof or for the charges of the Agents in connection therewith, but the Issuer may

require payment by a Holder of a sum sufficient to cover any transfer or stamp tax or other similar governmental charge payable in connection therewith.

The Issuer and its Affiliates (as defined below) may at any time, subject to applicable law, purchase the Bonds in the open market, or otherwise, at any price. The Bonds which are purchased by the Issuer (including purchase in the open market), early redeemed, repurchased and repaid when due, converted or sold back by the Holders will be canceled and will not be re-issued. A Bond does not cease to be outstanding because any of the Issuer's Affiliates holds such Bond; provided, however, any Bonds owned by any Affiliate of the Issuer will be deemed not to be outstanding in determining whether the Holders of the requisite principal amount of Bonds have given or concurred in any request, demand, authorization, direction, notice, consent or waiver under the Indenture.

Further Issues

To the extent permitted by applicable laws of the ROC, the Issuer may from time to time, without the consent of the Holders, create and issue, pursuant to the Indenture, additional bonds, having the same terms and conditions under the Indenture as the previously outstanding Bonds in all respects, except for issue date and issue price. Additional bonds may be consolidated with and form a single series with the previously outstanding Bonds; provided, however, that such additional bonds will not be issued under the same CUSIP, ISIN or other identifying number as the outstanding Bonds unless such additional bonds are fungible with the outstanding Bonds for U.S. federal income tax purposes.

Book Entry; **Delivery and Form**

The Bonds will only be represented by a permanent global certificate in fully registered book-entry form (the "**Global Bond**") and will be deposited with a common depositary (the "**Common Depositary**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream**") and registered in the name of a nominee of the Common Depositary. If (i) at any time, the Common Depositary advises the Issuer in writing that it is unwilling or unable to continue as a depository for the Global Bond and a successor depository is not appointed within 90 days, (ii) either Euroclear or Clearstream or any alternative clearing system on behalf of which the Bonds evidenced by the Global Bond may be held is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so, or (iii) an Event of Default has occurred and is continuing with respect to the Bonds and the Trustee notifies the Issuer in writing that any of the Bonds have become immediately due and payable pursuant to the Indenture, and, in the case of (iii) above, if the Issuer has received a written request from a Holder, the Issuer shall issue individual certificated bonds in registered form in exchange for the Global Bond in any authorized denominations and in an aggregate principal amount equal to the principal amount of the Global Bond. The Bonds will have minimum denominations of US$200,000 and any integral multiples of US$100,000 in excess thereof.

The Bonds are not issuable in bearer form.

Transfers of interests in the Bonds evidenced by the Global Bond will be effected in accordance with the rules of the relevant clearing systems. In addition, transfers of the Bonds and Common Shares are subject to certain restrictions. See "Transfer Restrictions".

Ranking

The Bonds will (i) be direct, unconditional, unsecured and unsubordinated obligations of the Issuer, (ii) rank pari passu without any preference or priority among themselves and with all other direct, unconditional, unsecured and unsubordinated Debt (as defined below) of the Issuer now or hereafter outstanding (except to the extent that such other Debt (x) ranks above such obligation solely by reason of Liens (as defined below) permitted under the Indenture or (y) is preferred by mandatory provisions of law), and (iii) be senior in right of payment to all Debts of the Issuer that are expressed to be subordinated in right of payment to the Bonds.

The Bonds will be effectively subordinated to all secured obligations but subject to the negative pledge as described in "*Certain Covenants — Negative Pledge*" of the Issuer with respect to claims against the assets securing such obligations ("**Secured Debt**"). As of June 30, 2026, based on its consolidated financial statements, the Issuer had outstanding Secured Debt of approximately NT$206.9 million (US$6.5 million).

Sinking Fund

The Bonds will not be entitled to the benefit of a sinking fund.

Transfer of Certificated Bonds and Delivery of New Certificated Bonds

In the event Certificated Bonds (as defined below) are issued, the following provisions will apply:

(i) Transfer of Certificated Bonds

A Certificated Bond may be transferred upon the surrender at the specified office of the Registrar or at the specified office of the Transfer Agent of the Certificated Bonds to be transferred, together with the form of transfer endorsed thereon (the "**Form of Transfer**") duly completed and executed and any other evidence that such Registrar or Transfer Agent may require. In the case of a transfer of only part of a holding of Certificated Bonds, a new Certificated Bond shall be issued to the transferee in respect of the part transferred and a further new Certificated Bond in respect of the balance of the holding not transferred shall be issued to the transferor. The Form of Transfer will be available at the specified office of the Transfer Agent.

(ii) Delivery of New Certificated Bonds

Each new Certificated Bond shall be available for delivery upon receipt by the Transfer Agent at its specified office of the relevant Certificated Bond and the Form of Transfer.

Delivery of the new Certificated Bonds shall be made at the specified office of the Transfer Agent to whom the relevant Certificated Bond and the Form of Transfer shall have been surrendered or delivered or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant Form of Transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Certificated Bond to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify.

(iii) Formalities Free from Charge

Transfers of the Certificated Bonds will be effected without charge by or on behalf of the Issuer or any Transfer Agent, but only upon confirmation of payment (or the giving of such indemnity as such Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation thereto.

(iv) Restricted Transfer Periods

No Holder may require the transfer of a Certificated Bond to be registered (i) during the period of 15 days ending on (and including) a Redemption Date (as defined below), (ii) after such Bond has been selected by the Issuer or the Holder for redemption, pursuant to the terms of the Indenture or (iii) after such Holder has exercised its Conversion Right (as defined below).

Payments

All amounts due under, and all claims arising out of or pursuant to, the Bonds and/or the Indenture from or against the Issuer shall be payable and settled in US Dollars only.

All payments in respect of a Global Bond held on behalf of Euroclear and Clearstream will be made to, or to the order of, the person whose name is entered on the register at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except December 25 and January 1.

In the event that Certificated Bonds are issued in accordance with the Indenture, payment will be made to the persons shown in the register at the close of business on the fifteenth day (whether or not such day is a Business Day) before the due date for payment (which shall be the "record date" in respect of such Certificated Bonds).

The definitions of certain terms used in this section and the Indenture are listed below.

"**Fixed Exchange Rate**"	means the fixed rate of US$1.00=NT$31.523.
"**Independent Investment Bank**"	means (i) an independent investment bank of international repute or (ii) a leading independent securities company or bank in the ROC (in each case of (i) and (ii), acting as an expert) selected by the Issuer

	at the expense of the Issuer and notified in writing to the Trustee and the Agents.
"**NT Dollars" or "NT$**"	means the lawful currency for the time being of the ROC.
"**Prevailing Exchange Rate**"	means, with respect to the translation of the price of the Common Shares, the closing rate quoted by the Taipei Forex Inc. for the purchase of US Dollars with NT Dollars on the Trading Day immediately preceding the relevant day.
"**US Dollars" or "US$**"	means the lawful currency for the time being of the United States of America.

Interest

The Bonds will not bear interest.

In any case where the date of the payment of the principal of and other amounts on the Bonds or the date fixed for redemption of the Bonds is not a Business Day (as defined below), then payment of such principal or the Early Redemption Amount (as defined below) shall be made on the next succeeding Business Day, with the same force and effect as if made on the Maturity Date or the date fixed for redemption, as the case may be, and no interest shall accrue for the period after such date.

Additional Amounts

All payments of the principal of and other amounts on the Bonds and all deliveries of Common Shares (as defined below) made on conversion of the Bonds are to be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or other governmental charges ("**Taxes**") imposed, levied, collected, withheld or assessed by or within the ROC or any other jurisdiction in which the Issuer is organized or resident for tax purposes or from which any payment on the Bonds is made (or any political subdivision or Taxing Authority (as defined below) thereof or therein), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Issuer will pay such additional amounts on the Bonds (all such additional amounts being referred to herein as "**Additional Amounts**") as will result in receipt by the Holder of each Bond of such amounts as would have been received by such Holder had no such withholding or deduction been required, except that no Additional Amounts shall be payable for or on account of:

(i) any Taxes that would not have been imposed but for:

(A) the existence of any present or former connection between the Holder of such Bond and the ROC or any other jurisdiction in which the Issuer is organized or resident for tax purposes, other than merely holding such Bond or receiving payments or enforcing rights thereunder, including such Holder being or having been a national, domiciliary or resident of or treated as a resident thereof or being or having been present or engaged in a trade or business therein or having had a permanent establishment therein;

(B) the presentation of such Bond (if presentation is required) more than 30 days after the later of the date on which the payment of the principal of or other amounts on such Bond became due and payable pursuant to the terms thereof or the date that such payment was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Bond for payment on any date within such 30 day period; or

(C) the presentation of such Bond (if presentation is required) for payment in the ROC, unless such Bond could not have been presented for payment elsewhere;

(ii) any estate, inheritance, gift, sale, transfer, stamp, personal property or similar tax, assessment or other governmental charge;

(iii) any tax, duty, assessment or other governmental charge that is payable otherwise than by withholding from payments or deliveries under or with respect to the Bonds; or

(iv) any combination of Taxes referred to in the preceding clauses (i) to (iii).

The Issuer will not pay Additional Amounts if the registered Holder of the Bonds is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that the beneficiary, partner or settlor with respect to such fiduciary, partnership or person, or the beneficial owner of that payment, would not have been entitled to the Additional Amounts if it had been the registered Holder of the Bonds.

Whenever there is mentioned, in any context, (i) the payment of the principal of and other amounts on any Bond, or (ii) the delivery of Common Shares or cash payments (if any) on conversion of any Bond, such mention shall be deemed to include the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable with respect thereto.

Subject to certain exceptions, the Issuer will pay any present or future stamp, court or documentary taxes, or any other excise or property taxes, charges or similar levies which arise in any jurisdiction from the issue, initial delivery or registration of the Bonds or any other document or instrument referred to herein, including those resulting from or required to be paid in connection with, the enforcement of the Bonds or any other document or instrument following the occurrence of any Event of Default with respect to the Bonds and excluding those payable upon issue and delivery of Bonds to the order of a person other than a Holder.

Neither the Trustee nor any Agent shall be responsible for paying any Additional Amounts or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Holders or any other person to pay any such Additional Amounts, or be responsible to provide any notice or information in relation to the Bonds in connection with payment of such tax, duty, charges, assessments, withholding or other payment imposed by or in any jurisdiction.

The Paying Agent and the Trustee will make payments free of withholdings or deductions on account of taxes unless required by applicable law. If such a deduction or withholding is required, the Paying Agent or the Trustee will not be obligated to pay any Additional Amount to the recipient unless such an Additional Amount is received by the Paying Agent or the Trustee.

Redemption of the Bonds

Redemption for Taxation Reasons

The Bonds may be redeemed, in whole but not in part (subject to the provision of the paragraph below), at the option of the Issuer, at any time, upon giving not less than 30 nor more than 60 days' written notice to the Holders (which notice shall be irrevocable) and upon written notice to the Trustee, the Registrar and the Paying Agent, at the applicable Early Redemption Amount on the Redemption Date (as defined below), if the Issuer determines and certifies to the Trustee in an officer's certificate immediately prior to the giving of such notice that, as a result of any change in, or amendment to the laws (including any regulations or rulings promulgated thereunder) of the ROC or such other jurisdiction in which the Issuer is then organized or resident for tax purposes (or any political subdivision or Taxing Authority thereof or therein), affecting taxation, or any change in official position regarding the application, interpretation or administration of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction), which change, amendment, application, interpretation or administration is proposed and becomes effective on or after the Closing Date (or, in the case of any jurisdiction other than the ROC, the date (if later than the Closing Date) on which the Issuer first becomes organized or resident for tax purposes in such other jurisdiction) with respect to any payment due or to become due on the Bonds, the Issuer is required to pay Additional Amounts in connection therewith and such requirement to pay Additional Amounts cannot be avoided by the taking of reasonable measures by the Issuer; provided that such right cannot be exercised earlier than 45 days prior to the first date on which the Issuer would be obligated to make an Additional Amounts payment with respect to all or substantially all of the outstanding Bonds were a payment then due.

Prior to the giving of any such notice of redemption, the Issuer is required to deliver to the Trustee and the Paying Agent (i) an officer's certificate stating that such change or amendment has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Issuer taking reasonable measures and (ii) an opinion of counsel or written advice of a qualified tax expert that the circumstances referred to in the preceding sentence exist as a result of such change, amendment, application, interpretation or administration. The Trustee and Agents shall be entitled to accept and rely exclusively and conclusively on such certificate, opinion and notice as sufficient evidence of the satisfaction of the conditions precedent described above, in which event,

the same shall be conclusive and binding on the Holders. The Trustee is not obligated to investigate or verify any information in any certificate, opinion or notice.

Notwithstanding the foregoing, if the Issuer has given a redemption notice for taxation reasons in accordance with the paragraph above and if the outstanding principal amount of the Bonds at the time when such redemption notice is given is greater than 10% of the aggregate principal amount of the Bonds as of the Closing Date, each Holder of the Bonds will have the right to elect, and the redemption notice will state that each Holder will have the right to elect, that all or a portion of its Bonds should not be redeemed. Upon the exercise of such right by the Holder, the provisions set forth in "— Additional Amounts" will not apply to any payment in respect of such Bonds that is due after the relevant Redemption Date, and subject to the applicable procedures of Euroclear and Clearstream, such payment will be made subject to the deduction of any ROC tax (or tax of such other jurisdiction in which the Issuer is then organized or resident for tax purposes) required to be withheld or deducted. To exercise such right the Holder must give notice to the Issuer in the manner set out in the Indenture no later than 15 days prior to the relevant Redemption Date.

In the case of Bonds represented by the Global Bond, in the absence of applicable Euroclear and Clearstream procedures for such required deduction or withholding or failure by the Issuer to notify Euroclear and Clearstream of the applicable withholding tax rate (if the amount of interest is reduced due to such required deduction or withholding), the Issuer acknowledges and agrees that the Paying Agent will be unable to facilitate payments to Holders.

Redemption at the Option of the Issuer

At any time after September 17, 2029, the Issuer may, on not less than 30 nor more than 60 days' written notice to the Holders (which notice shall be irrevocable) and upon written notice to the Trustee and the Agents, redeem the Bonds, in whole or in part, at the applicable Early Redemption Amount; provided, however, that no such redemption may be made unless:

(i) the Closing Price (translated into US Dollars at the Prevailing Exchange Rate) of the Common Shares for 20 out of 30 consecutive Trading Days (the "**Calculation Period**") immediately prior to the date upon which notice of such redemption was given, is at least 130% of the quotient of the Early Redemption Amount for each US$100,000 principal amount of the Bonds divided by the prevailing Conversion Ratio; and

(ii) the applicable Redemption Date does not fall within a Closed Period (as defined below).

If there shall occur an event giving rise to a change in the Conversion Price during any Calculation Period, appropriate adjustments for the relevant days, determined by an opinion of an Independent Investment Bank, shall be made for the purpose of calculating the Closing Price for such days. Notice of any such adjustments in the Conversion Price will be given promptly by the Issuer to the Trustee and the Agents.

Notwithstanding the foregoing, the Issuer may redeem the Bonds, in whole but not in part, at any time, on not less than 30 nor more than 60 days' written notice, at the applicable Early Redemption Amount if more than 90% in principal amount of the Bonds originally issued has been redeemed, repurchased and canceled or converted; provided that the applicable Redemption Date does not fall within a Closed Period (as defined below).

Notice of any such redemption will be given by the Issuer to the Holders (and other applicable parties) in accordance with the notice provisions of the Indenture as described below under "— *Notices*".

Redemption at Maturity

Unless the Bonds have been previously redeemed, repurchased and canceled or converted, the Issuer will redeem the Bonds on the Maturity Date at a redemption price equal to 108.83% of the outstanding principal amount thereof. The Bonds may be redeemed prior to the Maturity Date only as described herein.

Redemption Procedures

Payment of the relevant redemption price for a Certificated Bond is conditioned upon delivery of such Bond (together with necessary endorsements) to any Paying Agent. Payment of the relevant redemption price for any Bond will be made on the Redemption Date or, if such Bond is a Certificated Bond and has not been so delivered on or prior to the Redemption Date, at the time of delivery of such Bond. If the Paying Agent holds, in

accordance with the terms of the Indenture, cash sufficient to pay the relevant redemption price of such Bond on the Redemption Date, then, immediately after such Redemption Date, such Bond will cease to be outstanding, whether or not such Bond is delivered to a Paying Agent, and all other rights of the Holder shall terminate (other than the right to receive the relevant redemption price).

In the case of any redemption other than on the Maturity Date, notice of redemption to each Holder shall specify the outstanding principal amount of each Bond held by such Holder to be redeemed, the Redemption Date, the price at which such Bonds will be redeemed and the place or places of payment and that payment will be made upon presentation and surrender of the Bonds to be redeemed. Such notice shall also specify the Conversion Price then in effect and the date on which the right to convert such Bonds or the portions thereof to be redeemed will expire. Neither the Trustee nor any of the Agents shall be responsible for monitoring or taking any steps to ascertain whether any of the circumstances mentioned above has occurred or for calculating or verifying the calculations of any amount payable under any notice of redemption hereunder and none of them shall be liable to the Holders or the Issuer or any other person for not doing so.

Repurchase of the Bonds

Repurchase at the Option of the Holder

Unless the Bonds have been previously redeemed, repurchased and canceled or converted, each Holder shall have the right (the "**Holder's Put Right**"), at such Holder's option, to require the Issuer to repurchase, in whole or in part (being US$200,000 in principal amount or any integral multiple of US$100,000 in excess thereof), such Holder's Bonds, on September 17, 2028 (the second anniversary following the Closing Date) and on September 17, 2030 (the fourth anniversary following the Closing Date) (each, a "**Bondholder's Put Option Date"**) at a price equal to 103.44% and 107.01% of the principal amount in US Dollars, respectively, with respect to such Holder's Bonds to be repurchased (the "**Holder's Put Price**").

Repurchase in the Event of Delisting

In the event that the Common Shares cease to be listed or admitted to trading on the TWSE (a "**Delisting**") each Holder shall have the right (the "**Delisting Put Right**"), at such Holder's option, to require the Issuer to repurchase, in whole or in part (being US$200,000 in principal amount or any integral multiple of US$100,000 in excess thereof), such Holder's Bonds on the 20th Business Day after the Issuer provides a notice to Holders, the Trustee and the Paying Agent regarding the Delisting referred to under "— *Repurchase Procedures*" below (the "**Delisting Put Date**") at the applicable Early Redemption Amount with respect to such Holder's Bonds to be repurchased on the Delisting Put Date (the "**Delisting Put Price**").

Repurchase in the Event of Change of Control

If a Change of Control (as defined below) occurs with respect to the Issuer, each Holder shall have the right (the "**Change of Control Put Right**"), at such Holder's option, to require the Issuer to repurchase, in whole or in part (being US$200,000 in principal amount or any integral multiple of US$100,000 in excess thereof), such Holder's Bonds on the date set by the Issuer for such repurchase (the "**Change of Control Put Date**"), which shall be not less than 30 nor more than 60 days following the date on which the Issuer notifies the Holders, the Trustee and the Paying Agent in writing of the Change of Control, at the applicable Early Redemption Amount with respect to such Holder's Bonds to be repurchased on the Change of Control Put Date (the "**Change of Control Put Price**").

Repurchase Procedures

Not less than 30 nor more than 60 days prior to each Bondholder's Put Option Date and not less than 30 nor more than 60 days promptly after becoming aware of a Delisting or Change of Control, the Issuer will provide a notice to each Holder (with a copy to the Trustee and the Paying Agent) regarding such Holder's Put Right, Delisting Put Right or Change of Control Put Right, as the case may be, which notice shall state, as appropriate:

(i) the Bondholder's Put Option Date, the Delisting Put Date or the Change of Control Put Date, as the case may be (each, a "**Purchase Date**");

(ii) in the case of a Delisting, the date of such Delisting and, briefly, the events causing such Delisting;

(iii) in the case of a Change of Control, the date of such Change of Control and, briefly, the events causing such Change of Control;

(iv) the date by which the Holder Purchase Notice (as defined below) must be given;

(v) the Holder's Put Price, the Delisting Put Price or the Change of Control Put Price, as the case may be, and the method by which such amount will be paid;

(vi) the names and addresses of all Agents;

(vii) briefly, the Conversion Right (as defined below) of the Holders and the then current Conversion Price and the date on which the right to convert such Bond will expire;

(viii) the procedures that Holders must follow and the requirements that Holders must satisfy in order to exercise their repurchase rights and/or Conversion Right; and

(ix) that a Holder Purchase Notice, once validly given, may not be withdrawn.

To exercise its right to require the Issuer to repurchase its Bonds, the Holder must deliver a written irrevocable notice of the exercise of such right (a "**Holder Purchase Notice**") to any Paying Agent on any Business Day between 9:00 a.m. and 3:00 p.m. (London time) at the location of such Paying Agent on such day and which day is not less than ten (10) Business Days prior to the Purchase Date.

Payment of the Holder's Put Price upon exercise of the Holder's Put Right, Delisting Put Price upon exercise of the Delisting Put Right or Change of Control Put Price upon exercise of the Change of Control Put Right for any Certificated Bond for which a Holder Purchase Notice has been delivered is conditioned upon delivery of such Certificated Bond (together with any necessary endorsements) to any Paying Agent on any Business Day together with the delivery of such Holder Purchase Notice and will be made promptly following the later of the Purchase Date and the time of delivery of such Certificated Bond. If the Paying Agent holds on the Purchase Date money sufficient to pay the Holder's Put Price, Delisting Put Price or the Change of Control Put Price, as the case may be, of Bonds for which Holder Purchase Notices have been delivered in accordance with the provisions of the Indenture upon exercise of such right, then, whether or not such Bond is delivered to the Paying Agent, on and after such Purchase Date, (i) such Bond will cease to be outstanding, (ii) such Bond will be deemed paid, and (iii) all other rights of the Holder shall terminate (other than the right to receive the Holder's Put Price, the Delisting Put Price or the Change of Control Put Price, as the case may be).

Neither the Trustee nor any Agent shall be required to monitor or to take any steps to ascertain whether a Change of Control, Delisting or any event which could lead to a Change of Control or Delisting has occurred or may occur and each of them shall be entitled to assume that no such event has occurred until it has received written notice to the contrary from the Issuer and none of them shall have any obligation or duty to verify the accuracy, completeness, content, validity and/or genuineness of any documents in relation to or in connection with a Change of Control or Delisting and none of them shall be liable to the Holders, the Issuer or any other person for any loss arising from their not doing any of the foregoing.

Certain Definitions

Set forth below is a summary of certain of the defined terms used in the covenants and other provisions of the Indenture. Reference is made to the Indenture for the full definition of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

"**Affiliate**"	means, with respect to any Person (the "**Specified Person**"), (i) any Person other than the Specified Person directly or indirectly controlling, controlled by or under direct or indirect common control with, the Specified Person or (ii) any Person who is a director or executive officer (A) of the Specified Person, (B) of any Subsidiary of such Specified Person or (C) of any Person described in clause (i) above. For purposes of this definition, the term "control" when used with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether

through the ownership of voting securities or by contract or otherwise.

"**Agent**" means any registrar, paying agent, conversion agent and transfer agent, including any successor registrar, paying agent, conversion agent and transfer agent.

"**Business Day**" means any day except a Saturday, Sunday or other day on which commercial banks in Taipei, Hong Kong, London, and the City of New York (or, if applicable, in the city where the relevant Paying Agent is located) are authorized by law to close or are otherwise not open for business.

"**Capital Stock**" means, with respect to any Person, any and all shares, ownership interests, participation or other equivalents (however designated), including all common stock and all preferred stock, of such Person.

"**Certificated Bonds**" means the individual certificated Bonds executed and delivered by the Issuer and authenticated by the Trustee or the Registrar, which may be delivered in exchange for the Global Bond in certain circumstances.

"**Change of Control**" occurs when:

(a) any Person or Persons (as defined below) acting together acquires Control of the Issuer if such Person or Persons does not or do not have, and would not be deemed to have, Control of the Issuer on the Closing Date; or

(b) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer's assets to any other Person, unless the consolidation, merger, sale or transfer will not result in the other Person or Persons acquiring Control over the Issuer or any successor entity; or

(c) one or more other Persons acquire the legal or beneficial ownership of all or substantially all of the Issuer's Capital Stock.

"**Closing Price**" means for any Trading Day (a) with respect to the Common Shares, the closing sales price of the Common Shares on the TWSE on such day or, if no reported sales take place on such day, the average of the reported closing bid and offered prices, in either case as reported by the TWSE for such day as furnished by an Independent Investment Bank, and (b) with respect to Capital Stock of the Issuer (other than Common Shares), the closing bid price for such Capital Stock (other than Common Shares) on the Selected Exchange (as defined under "**Trading Day**" below); provided that for the purpose of determining the Closing Price used in "— *Redemption at the Option of the Issuer*" above for all Trading Days on or between the ex-rights or ex-dividends date and the record date for the determination of the shareholders entitled to receive such rights or dividends, the Closing Price shall be adjusted upwards to include the value of such rights or dividends.

"**Conversion Ratio**" means the US$100,000 principal amount of the Bonds divided by the applicable Conversion Price then in effect (translated into US Dollars at the Fixed Exchange Rate).

"**Common Shares**" means shares of the common stock of the Issuer, par value NT$10 per share.

"**Control**" means (i) the right to appoint and/or remove all or the majority of the members of the Issuer's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; or (ii) the acquisition or control of more than 50% of the voting rights of the issued share capital of the Issuer.

"**Conversion Price**" means the initial conversion price of NT$1,384.60 per Common Share set forth on the cover of this offering circular, subject to adjustment in the manner provided in "— *Conversion — Adjustments to the Conversion Price*" below.

"**Debt**" means, with respect to any Person at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of trading, (iv) all obligations of such Person as lessee which are capitalized in accordance with the generally accepted accounting principles applicable to such Person, (v) all indebtedness secured by a Lien on any asset of such Person, whether or not such indebtedness is otherwise an obligation of such Person, (vi) all obligations of such Person to purchase securities or other property that arise out of or in connection with the sale of the same or substantially similar securities or property, (vii) all non-contingent obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit or similar instrument and (viii) all indebtedness of others guaranteed by such Person.

"**Default**" means any condition or event which, with the giving of notice or lapse of time or both, would become an Event of Default (as defined below).

"**Early Redemption Amount**" means, for each US$100,000 principal amount of the Bonds, the amount calculated in accordance with the following formula, rounded (if necessary) to two decimal places with US$0.005 being rounded upwards:

$$\text{Early Redemption Amount} = I \times (1 + r/2)^{d/180}$$

where:

I = Issue price (100 % of principal amount) of the Bonds.

r = 1.70% expressed as a decimal.

d = number of days from, and including, the Closing Date to, but excluding, the date for redemption, calculated on the basis of a 360-day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the actual number of days elapsed.

Semi-Annual Date	**Early Redemption Amount (in US Dollars)**
March 17, 2027	100,850.00
September 17, 2027	101,707.23
March 17, 2028	102,571.74
September 17, 2028	103,443.60
March 17, 2029	104,322.87

Semi-Annual Date	Early Redemption Amount (in US Dollars)
September 17, 2029	105,209.61
March 17, 2030	106,103.89
September 17, 2030	107,005.78
March 17, 2031	107,915.32

"**FSC**" means the Financial Supervisory Commission of the ROC.

"**Holder**", "**holder**" and "**Bondholder**" in relation to a Bond means the person in whose name a Bond is registered in the Bond register.

"**Lien**" means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such property or asset, including, without limitation, the right of a vendor, lessor or similar party under any conditional sales agreement, capital lease or other title retention agreement relating to such property or asset, and any other right of or arrangement with any creditor to have its claims satisfied out of any property or assets, or the proceeds therefrom prior to any general creditor of the owner thereof.

"**Market Value**" means (i) in the case of Common Shares, the average of the Closing Prices of the Common Shares for the most recent 30 Trading Days, (ii) in the case of Capital Stock (other than Common Shares) which is listed on the Selected Exchange, the average of the Closing Prices of such Capital Stock (other than Common Shares) for the most recent 30 Trading Days and (iii) in the case the market value cannot be determined pursuant to the procedures above, the market value determined by an opinion of an Independent Investment Bank.

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organization, trust, state or agency of a state (in each case whether or not being a separate legal entity) limited liability company, government or political subdivision or agency or instrumentality thereof, or any other entity or organization; provided that in the context of a Change of Control, a Person does not include the Issuer's board of directors or any other governing board and does not include the Issuer's wholly-owned direct or indirect subsidiaries.

"**Principal Subsidiary**" means any Subsidiary (as defined below) of the Issuer (i) whose gross revenues, as shown by the latest audited income statement (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary, exceed 10% of the consolidated gross revenues as shown by the then latest published audited consolidated income statement of the Issuer and its Subsidiaries; or (ii) whose gross assets, as shown by the latest audited balance sheet (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary, exceed 10% of the gross consolidated assets as shown by the then latest published audited consolidated balance sheet of the Issuer and its Subsidiaries. References to the audited income statement and balance sheet of a Subsidiary which has subsidiaries shall be construed as references to the audited consolidated income statement and consolidated balance sheet of such Subsidiary and its subsidiaries, if such are required by law to be produced, or if no such income statement or

	balance sheet is required by law to be produced or is not produced when the Subsidiary becomes a Principal Subsidiary, to a pro forma income statement or balance sheet for the purpose of such determination.
"**Purchase Date**"	has the meaning specified under the caption "— *Repurchase Procedures*" above.
"**Redemption Date**"	means, with respect to any Bond, (i) the date fixed for redemption of such Bond pursuant to a notice of redemption given by the Issuer in accordance with the provisions of the Indenture; or (ii) the Maturity Date of such Bond if such Bond has not been redeemed, repurchased and canceled or converted in accordance with its terms prior to the Maturity Date.
"**Securities Act**"	means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.
"**Subsidiary**"	means, with respect to any Person, (a) any entity which is controlled or of which more than 50% of its Capital Stock is owned directly or indirectly by such Person, or (b) any entity which at any time has its accounts consolidated with those of that Person or which, under the law, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such Person from time to time, should have its accounts consolidated with those of that Person.
"**Taxing Authority**"	means any government or political subdivision or any authority or agency thereof, having the legal power and authority to levy a mandatorily payable charge, assessment or tax.
"**Trading Day**"	means (a) with respect to the Common Shares, a day when the TWSE is open for business, provided, however, if no transaction price or closing bid and offered prices are reported by the TWSE in respect of the Common Shares for one or more Trading Days, such day or days will be disregarded in any relevant calculation and will be deemed not to have existed when ascertaining any period of consecutive Trading Days and (b) with respect to Capital Stock of the Issuer (other than Common Shares), a day on which any securities exchange or quotation system selected by the Issuer and notified to the Paying Agent for this purpose (the "**Selected Exchange**") on which shares of such Capital Stock (other than Common Shares) are quoted or traded is open for trading or quotation; provided, however, if no bid price is reported by the Selected Exchange in respect of such Capital Stock (other than Common Shares) for one or more Trading Days, such day or days will be disregarded in any relevant calculation and will be deemed not to have existed when ascertaining any period of consecutive Trading Days.
"**TWSE**"	means Taiwan Stock Exchange Corporation.

Certain Covenants

Negative Pledge

So long as any Bond remains outstanding, the Issuer shall not, and shall ensure that none of its Principal Subsidiaries will, create or permit to subsist any Lien on any of its or, as the case may be, such Principal Subsidiary's, property, assets or revenues, present or future, to secure for the benefit of the holders of any International Investment Securities (as defined below) (i) payment of any sum owing in respect of any such

International Investment Securities, (ii) any payment under any guarantee of any such International Investment Securities or (iii) any payment under any indemnity or other like obligation relating to any such International Investment Securities, unless contemporaneously therewith effective provision is made to secure the Bonds (a) equally and ratably with such International Investment Securities with a similar Lien on the same property, assets or revenues securing such International Investment Securities for so long as such International Investment Securities are secured by such Lien or (b) with such other security, guarantee, indemnity or other arrangement as shall be approved by registered Holders holding not less than 50% of the principal amount of the outstanding Bonds.

As used herein, "**International Investment Securities**" means bonds, debentures, notes or other similar investment securities of the Issuer or any other person evidencing indebtedness with a maturity of not less than one year from the issue date thereof, or any guarantees thereof, which (i) either (A) are by their terms payable, or confer a right to receive payment, in any currency other than NT Dollars or (B) are denominated in NT Dollars and more than 50% of the aggregate principal amount thereof is initially distributed outside the ROC by or with the consent of the Issuer or any of its Principal Subsidiaries and (ii) are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded, in each case primarily, on any stock exchange or over-the-counter or other securities market outside the ROC.

Consolidation, Amalgamation or Merger

The Issuer shall not consolidate with, merge or amalgamate into or transfer or convey all or substantially all of its properties and assets to, any Person (the consummation of any such event, a "**Merger**"), unless:

(i) the corporation formed by such Merger or the Person that acquired such properties and assets shall expressly assume, by an indenture supplemental to the Indenture, all obligations of the Issuer under the Indenture and the performance of every covenant and agreement applicable to it contained therein;

(ii) immediately after giving effect to any such Merger, no Default or Event of Default shall have occurred or be continuing or would result therefrom;

(iii) the Issuer at least 20 Business Days prior to the Merger has delivered to the Trustee an officer's certificate stating that such Merger complies with the provisions of the Indenture relating to this matter and that all conditions precedent therein provided for or relating to such Merger have been complied with;

(iv) the corporation formed by such Merger, or the Person that acquired such properties and assets, shall expressly agree to (A) indemnify each holder of a Bond against any tax, assessment or governmental charge payable by withholding or deduction thereafter imposed on such holder solely as a consequence of such Merger with respect to the payment of principal of and other amounts on the Bonds and (B) if organized under the laws of a jurisdiction other than the ROC, to deliver a substitute undertaking to the Trustee to pay any additional amounts as may be necessary in order that the net amounts received by the holders of the Bonds, after any withholding or deduction of any such tax, assessment or other governmental charge shall equal the respective amounts of the principal of and Additional Amounts on the Bonds, which would have been receivable in respect of the Bonds in the absence of such Merger. No successor corporation or other Person shall have the right to redeem the Bonds unless the Issuer would have been entitled to redeem the Bonds pursuant to the Indenture in the absence of the Merger; and

(v) the Issuer shall as soon as practicable on or prior to the Merger, deliver to the Trustee an opinion satisfactory to the Trustee of counsel(s) of recognized standing that the condition in paragraph (i) above has been satisfied.

In the event of any such Merger, the provisions described under "—*Additional Amounts*" and "—*Redemption for Taxation Reasons*" above will be applicable to the corporation formed by such Merger or the Person acquiring such properties and assets as appropriate, and any reference to the Issuer shall be read to include such successor Person.

Conversion

Conversion Right

Each Holder will have the right (the "**Conversion Right**") during the Conversion Period to convert its Bonds (being US$200,000 in principal amount or an integral multiple of US$100,000 in excess thereof), at the option of such converting Holder, upon delivery of an irrevocable notice (the "**Conversion Notice**") at the office of the Conversion Agent, on any Business Day at all reasonable times during normal office hours (being between 9.00 a.m. and 3.00 p.m. (London time)) at the location of the Conversion Agent to which such Conversion Notice is delivered, into Common Shares; provided, however, that the Conversion Right during any Closed Period (as defined below) shall be suspended and the Conversion Period shall not include any such Closed Period. "**Closed Period**" means (i) the periods for share registrar closure pursuant to the laws and regulations of the ROC or the TWSE rules applicable from time to time, excluding the closed period for the annual general meeting of shareholders or the extraordinary general meeting of shareholders; (ii) in the event of free distribution of shares, distribution of cash dividend or capital increase by cash, the period from the fifteenth Trading Day prior to the fifth day before the record date for the determination of the shareholders entitled to the receipt of dividends, subscription of new Common Shares due to capital increase or other benefits and bonuses to such record date; (iii) in the event of capital reduction of the Issuer, the period from the record date of any capital reduction to the day immediately preceding the date on which the Common Shares resume trading after such capital reduction; and (iv) in the event of change of par value of the Common Shares of the Issuer, the period from the commencement of the suspension of the conversion in respect of the change of par value of the Common Shares to the day immediately preceding the date on which the reissued Common Shares resume trading after such change of par value of the Common Shares. The commencement date of the suspension of conversions due to the par value change refers to the Trading Day immediately preceding the date on which the Issuer applies to the Ministry of Economic Affairs for the registration of such change. The Issuer will also make a public announcement of the suspension period at least four Trading Days prior to the commencement date. The Issuer shall procure that Holders (and the Trustee and the Agents) are given at least 7 days' but not more than 60 days' prior written notice of any Closed Period in accordance with the provisions of the Indenture.

The number of Common Shares to be issued upon conversion will be determined by the Issuer by dividing the aggregate principal amount of all the Bonds to be converted by such Holder (translated into NT Dollars at the Fixed Exchange Rate) by the Conversion Price in effect on the Conversion Date (as defined below). Fractions of Common Shares will not be issued on conversion, and the Issuer will calculate and pay directly to such Holder in US Dollars for any fraction of a Common Share not issued as aforesaid, net of remittance fees and processing fees, rounding to one US Dollar with US$0.50 being rounded upwards.

The Conversion Price shall at all times be subject to Anti-dilution Adjustment (as defined below).

On the Conversion Date, the Conversion Agent shall be entitled to write down and cancel the relevant Bonds subject to such exercised Conversion Right with no further liability. The Trustee and the Conversion Agent shall not be required to monitor or assist with the delivery of Common Shares or cash for any registration that may arise pursuant to an exercise of a Conversion Right.

Restrictions on Shareholdings by PRC Persons

Under current ROC laws, regulations and policies, a PRC person is not permitted to convert the Bonds or to register as the Issuer's shareholder unless, subject to the procedures and restrictions under applicable laws and regulations of the ROC, (i) it is a qualified domestic institutional investor or a QDII who will hold less than 10% of the Issuer's issued shares after conversion of the Bonds, (ii) it otherwise obtains the approval of the Department of Investment Review (formerly Investment Commission) of the Ministry of Economic Affairs if all the business items are within the positive list promulgated by the ROC government from time to time and it will hold 10% or more (or other threshold required by the regulators) of the Issuer's issued shares after conversion of the Bonds, or (iii) it is permitted under the laws and regulations of the ROC in effect at the time of the application of the conversion. There are also limits on the amount remitted to the ROC for investments by QDIIs, separately and jointly. Accordingly, the qualification criteria for a PRC person to make investment and the investment threshold imposed by the FSC and the TWSE may cause a Bondholder who is a PRC person to be unable to convert the Bonds and hold the Common Shares. Under current ROC laws, "PRC person" means (A) an individual holding a passport issued by the PRC or PRC residence registration (including an individual who used to hold PRC passport or PRC residence registration but has given up his or her PRC citizenship and converted to the citizenship of another jurisdiction for less than four years or has not stayed outside the PRC for a period of over

four years, but not including a resident in a special administrative region of the PRC such as Hong Kong and Macau, if so excluded by applicable laws of the ROC), (B) any agency or instrumentality of the PRC or a PRC person and any corporation, partnership or other entity of any area under the effective control or jurisdiction of the PRC or a PRC person (but not including a special administrative region of the PRC such as Hong Kong or Macau, if so excluded by applicable laws of the ROC), or (C) any corporation, partnership or other entity organized under the laws of any other jurisdiction outside of the PRC that either is (x) directly or indirectly controlled by, or (y) directly or indirectly having more than 30% of its capital owned by, or beneficially owned by any such person referred to in (A) to (B). In the event that any amendment is made to the applicable laws or regulations governing the registration of PRC persons as shareholders of the Issuer, the Conversion Right shall be exercised and the registration of the relevant shares shall be effected in accordance with the laws and regulations then in effect at the time of such conversion.

ROC Procedures for Foreign Persons Holding Common Shares

Under current ROC laws, if a non-ROC person is an overseas Chinese or foreign national or entity having not been registered with the TWSE, when exercising the conversion right, such non-ROC person will be required to first register with the TWSE and then appoint a local agent to, among other things, open a securities trading account with a local securities brokerage firm to hold or trade the Common Shares, open an NT dollar bank account, remit funds, pay ROC tax, exercise shareholders' rights, and perform such other matters as may be designated by the converting holder. In addition, under current ROC laws, a non-ROC person is required to appoint a local bank approved by the FSC to act as custodian for handling confirmation and settlement of trades, safekeeping of securities and cash proceeds, and reporting and declaration of information. Under current ROC laws and regulations, without satisfying these requirements, a non-ROC person will not be able to hold or to sell or otherwise transfer the Issuer's Common Shares on the TWSE or otherwise.

In addition, when a non-ROC person converts the Bonds or registers as the Issuer's shareholder, such non-ROC person will be required under current ROC laws and regulations to appoint an agent, or a tax guarantor, in the ROC for filing tax returns and making tax payments. A tax guarantor must meet certain qualifications set by the Ministry of Finance of the ROC and, upon appointment, becomes a guarantor of such non-ROC person's ROC tax obligations. We cannot assure that such non-ROC person will be able to appoint and obtain approval for a tax guarantor in a timely manner, if at all. In the event that any amendment is made to the applicable laws or regulations governing the registration of a non-ROC person as shareholders of the Issuer, the Conversion Right shall be exercised and the registration of the relevant shares shall be effected in accordance with the laws and regulations then in effect at the time of such conversion.

Delivery of Common Shares upon Conversion

Upon a converting Holder exercising its Conversion Right, the Issuer shall as promptly as practicable issue Common Shares upon conversion of Bonds in accordance with the ROC law.

The Issuer's delivery to the Bondholder of the number of Common Shares into which the Bonds are convertible, together with any cash payment for any fraction of Common Shares, will be deemed to satisfy the Issuer's obligation to pay the principal of and other amounts on such Bonds.

See "*Risk Factors — Risks Relating to Ownership of the Bonds and the Common Shares — A liquid market for the Bonds may not develop, and the market for the Common Shares may not be liquid*."

Procedures; Conversion Notice; Taxes and Duties

In order to effect a conversion, each Holder must complete, execute and deliver at such Holder's expense during the Conversion Period to the office of the Conversion Agent on any Business Day at all reasonable times during normal office hours (being between 9.00 a.m. and 3.00 p.m. (London time)) at the location of the Conversion Agent, a Conversion Notice, in the form then obtainable from the office of the Conversion Agent (or, in the case of Bonds represented by a Global Bond, from the relevant clearing systems), together, in the case of Certificated Bonds, with the certificate representing the Bonds to be converted, and any certificates and other documents as may be required under applicable law and any expenses or other payments required to be paid by the Holder pursuant to the terms of the Indenture. The Conversion Notice shall contain, inter alia, an appointment of a local agent and a custodian by such converting Holder and the name and address of such local agent and a custodian and information relating to such Holder's Foreign Investor Investment I.D. or QDII Investment I.D. (if required) and TDCC account number. Holders of the Bonds who are unable to make the representations set forth

in the Conversion Notice will not be able to receive Common Shares issuable upon conversion of the Bonds. The Conversion Agent will deem any Conversion Notice that does not include a TDCC account number or the Foreign Investor Investment I.D. or QDII Investment I.D. (if one is required) incomplete or incorrect and reject such Conversion Notice.

Any Conversion Notice received after the normal office hours at the office of the Conversion Agent on any Business Day (i.e. after 3:00 pm (London time)), will be deemed received by the Conversion Agent on the next Business Day.

Upon receipt of such Conversion Notices (and Bonds duly surrendered), the Conversion Agent shall process and transmit such Conversion Notices to the Issuer as soon as reasonably practicable.

A Conversion Notice once so delivered may not be withdrawn without the consent in writing of the Issuer. Holders who deposit a Conversion Notice during a Closed Period will not be permitted to convert their Bonds until the first Business Day which is a Trading Day following the last day of that Closed Period which (if all other conditions to conversion have been fulfilled) will be the Conversion Date for such Bonds. If the Conversion Date in respect of the exercise of any Conversion Right is postponed as a result of the foregoing provision to a date that falls after the expiry of the Conversion Period, such Conversion Date shall be deemed to be the final day of such Conversion Period. Such Holders will not be registered as holders until the Conversion Date. The price at which such Bonds will be converted will be the Conversion Price in effect on the Conversion Date.

As conditions precedent to conversion, the Holder must confirm that all stamp, issue, registration and similar taxes and duties (if any) arising on conversion in the country in which the Bond is deposited for conversion, or payable in any jurisdiction consequent upon the issue and delivery of Common Shares or any other property or cash upon conversion to or to the order of a person other than the converting Bondholder have been paid to the relevant authority. Except as aforesaid, the Issuer will pay the expenses arising in the ROC on the issue of Common Shares on conversion of Bonds and all charges of the Conversion Agent in connection therewith as provided in the Indenture. The date on which any Bond and the Conversion Notice (in duplicate) relating thereto, together with any certificates and other documents as may be required under applicable law, are deposited with the Conversion Agent without any omission or error to the satisfaction of the Issuer and the payments, if any, required to be paid by the Bondholder are made is hereinafter referred to as the "**Deposit Date**". The "**Conversion Date**" applicable to a Bond shall mean the next Business Day following the Deposit Date (or the first Business Day which is a Trading Day following the last day of a Closed Period if the related Conversion Notice was deposited during such Closed Period), which day must be a Trading Day and must fall within the Conversion Period. The Holder must therefore satisfy all such conditions on or before the Business Day prior to the end of the Conversion Period.

With effect from the opening of business in the ROC on the Conversion Date, the Issuer will deem the person designated in the Conversion Notice as the person in whose name the Common Shares to be issued upon such conversion are to be registered as the holder of record of the number of Common Shares (disregarding any retroactive adjustment of the Conversion Price referred to below prior to the time such retroactive adjustment shall have become effective), and at such time the rights of such converting Holder as a Holder with respect to the Bonds deposited for conversion shall cease.

On the Conversion Date, the Issuer will register the converting Holder (or its designee) in the Issuer's register of shareholders as the owner of the number of Common Shares to be issued upon conversion of such Bonds and, subject to any applicable limitations then imposed by ROC laws and regulations, according to the request made in the relevant Conversion Notice, procure that, as soon as practicable, and in any event within five Trading Days from the Conversion Date (subject to changes to ROC laws and regulations) (or where the converting Holder has not appointed a local agent, after such local agent is appointed), there be delivered to the local agent appointed by the converting Holder through book-entry system of Taiwan Depository & Clearing Corporation ("**TDCC**"), registered in the name specified for that purpose in the relevant Conversion Notice, together with any other property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the delivery thereof. No physical certificates will be delivered to the converting Holder (or its designee) upon conversion so long as the Common Shares are listed on the Taiwan Stock Exchange or the Taipei Exchange.

Adjustments to the Conversion Price

Anti-dilution. The Conversion Price will be subject to adjustment ("**Anti-dilution Adjustment**") in the circumstances described below:

(i) If the Issuer shall issue Common Shares to the holders of Common Shares as a dividend in Common Shares or make a free distribution or bonus issue of Common Shares which is treated as a capitalization issue for accounting purposes (including but not limited to recapitalization of retained earnings or capital surplus), then adjustment shall be made, in accordance with the following formula, to the Conversion Price in effect on (i) the record date for the determination of the shareholders entitled to receive such dividend and/or distribution; or (ii) (if the Common Shares are issued upon upfront payment by such shareholders) the date on which the newly issued Common Shares are fully paid up:

NCP = OCP x [N / (N + n)]

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Common Shares outstanding at the time of issuance of such dividend and/or distribution (or at the close of business in Taipei on such record date, as the case may be), which shall exclude the treasury shares that have not been cancelled or transferred.

n = the number of Common Shares to be distributed to the shareholders as a dividend and/or distribution.

(ii) If the Issuer shall (a) subdivide its outstanding Common Shares, (b) combine its outstanding Common Shares into a smaller number of Common Shares, or (c) re-classify any of its Common Shares into other securities of the Issuer, then the Conversion Price shall be appropriately adjusted so that the Holder, in respect of the Conversion Date which occurs after the coming into effect of the adjustment described in this subsection (ii), shall be entitled to receive the number of Common Shares and/or other securities of the Issuer which it would have held or have been entitled to receive after the happening of any of the events described above had such Bond been converted immediately prior to the happening of such event (or, if the Issuer has fixed a prior record date for the determination of the shareholders entitled to receive any such securities issued upon any such subdivision, combination or reclassification, immediately prior to such record date), but without prejudice to the effect of any other adjustment to the Conversion Price made with effect from the date of the happening of such event (or such record date) or any time thereafter.

(iii) If the Issuer shall grant, issue or offer to the holders of Common Shares rights entitling them to subscribe for or purchase Common Shares, which expression shall include those Common Shares which are required to be offered to employees and persons other than shareholders in connection with such grant, issue or offer, at a consideration per Common Share receivable by the Issuer which is fixed:

(A) on or prior to the record date mentioned below and is less than the Market Value per Common Share on such record date; or

(B) after the record date mentioned below and is less than the Market Value per Common Share on the date the Issuer fixes the said consideration,

then the Conversion Price in effect (in the case of (A) above) on the record date for the determination of the shareholders entitled to receive such rights or (in the case of (B) above) on the date the Issuer fixes the said consideration shall be adjusted in accordance with the following formula:

NCP = OCP x [(N + v) / (N + n)]

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

N = the number of Common Shares outstanding at the close of business in the ROC (in the case of (A) above) on such record date or (in the case of (B) above) on the date the Issuer fixes the said consideration, which shall exclude the treasury shares that have not been cancelled or transferred.

n = the number of Common Shares to be issued in connection with such rights issue at the said consideration.

v = the number of Common Shares which the aggregate consideration receivable by the Issuer would purchase at such Market Value specified in (A) or, as the case may be, (B) above.

Subject as provided below, such adjustment shall become effective immediately after the latest date for the submission of applications of such Common Shares by shareholders entitled to the same pursuant to such rights or (if later) immediately after the Issuer fixes the said consideration but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Common Shares of rights entitling them to subscribe for or purchase Common Shares, any Common Shares which are not subscribed for or purchased by the persons entitled thereto are purchased by other persons after the latest date for the submission of applications for such Common Shares, an adjustment shall be made to the Conversion Price in accordance with the above provisions which shall become effective immediately after the date the Issuer receives the consideration in full, from such other persons but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Common Shares of rights entitling them to subscribe for or purchase Common Shares, any such Common Shares which are not subscribed for or purchased by such other persons as referred to above or by the persons entitled thereto (or persons to whom shareholders have transferred such rights) who have submitted applications for such Common Shares as referred to above are offered to and/or subscribed by others, no further adjustment shall be made to the Conversion Price by reason of such offer and/or subscription.

(iv) If the Issuer shall grant, issue or offer to the holders of Common Shares warrants entitling them to subscribe for or purchase Common Shares at a consideration per Common Share receivable by the Issuer which is fixed:

(A) on or prior to the record date for the determination of the shareholders entitled to receive such warrants and is less than the Market Value per Common Share at such record date; or

(B) after the record date mentioned above and is less than the Market Value per Common Share on the date the Issuer fixes the said consideration,

then the Conversion Price in effect (in a case within (A) above) on the record date for the determination of the shareholders entitled to receive such warrants or (in a case within (B) above) on the date the Issuer fixes the said consideration shall be adjusted in accordance with the following formula:

NCP = OCP x [(N + v) / (N + n)]

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

N = the number of Common Shares outstanding at the close of business in the ROC (in the case of (A) above) on such record date or (in the case of (B) above) on the date the Issuer fixes the said consideration, which shall exclude the treasury shares that have not been cancelled or transferred.

n = the number of Common Shares initially to be issued upon exercise of such warrants at the said consideration where no applications by shareholders entitled to such warrants are required. Where applications by shareholders entitled to such warrants are required, n equals the number of such Common Shares that equals (A) the number of warrants which underwriters have agreed to underwrite as referred to below or, as the case may be, and (B) the number of warrants for which applications are received from shareholders as referred to below except to the extent already adjusted for under (A).

v = the number of Common Shares which the aggregate consideration receivable by the Issuer would purchase at such Market Value per Common Share specified in (A) or, as the case may be, (B) above.

Subject as provided below, such adjustment shall become effective, where applications by shareholders entitled to the same are required as aforesaid, immediately after the latest date for the submission of such applications or (if later) immediately after the Issuer fixes the said consideration but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Common Shares of warrants entitling them to subscribe for or purchase Common Shares where applications by shareholders entitled to the same are required, any warrants which are not subscribed for or purchased by the shareholders entitled thereto are purchased by other persons after the latest date for the submission of applications for such warrants, an adjustment shall be made to the Conversion Price in accordance with the above provisions which shall become effective immediately after the date the Issuer receives the consideration in full, from such other persons but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Common Shares of warrants entitling them to subscribe for or purchase Common Shares where applications by shareholders entitled to the same are required, any such warrants which are not subscribed for or purchased by such other persons as referred to above or by the shareholders entitled thereto (or persons to whom shareholders have transferred the right to purchase such warrants) who have submitted applications for such warrants as referred to above are offered to and/or subscribed by others, no further adjustment shall be made to the Conversion Price by reason of such offer and/or subscription.

(v) In case the Issuer or any Subsidiary of the Issuer shall distribute to all holders of Common Shares, any shares of Capital Stock of the Issuer other than Common Shares, evidences of indebtedness or other assets (other than cash distributions described below) of the Issuer, or rights or warrants to subscribe for or purchase any Capital Stock of the Issuer (other than Common Shares) at less than the Market Value of such indebtedness, assets or Capital Stock, determined as of the date on which the Board of Directors of the Issuer approves such distribution, then in each such case the Conversion Price shall be adjusted in accordance with the following formula:

NCP = OCP x [(M - fmv) / M]

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

M = the Market Value per Common Share on the record date for the determination of shareholders entitled to receive such distribution.

fmv = the fair market value (as determined by an independent financial institution selected by the Issuer, at the expense of the Issuer and promptly notified in writing to the Trustee and the Paying Agent) of the portion of Capital Stock other than Common Shares, evidences of indebtedness or other assets so distributed applicable to one Common Share less any consideration payable for the same by the relevant shareholder.

(vi) In case the Issuer shall, by dividend or otherwise, distribute to all holders of Common Shares cash then, in such case, the Conversion Price shall be adjusted downward, not upward (with such adjustment to be effective on the record date for the determination of the shareholders

entitled to receive such distribution) in accordance with the following formula and rounded to the nearest cent of a NT Dollar;

NCP = OCP x [1 - (C/M)]

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

C = the amount of cash so distributed applicable to one Common Share.

M = the Market Value per Common Share on such record date.

If such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such dividend or distribution had not been approved.

(vii) (A) If the Issuer shall reduce its share capital other than by means of canceling any Common Shares repurchased as treasury shares and does not distribute any cash in connection with such share capital reduction, then the Conversion Price in effect on the record date of such capital reduction shall be adjusted in accordance with the following formula:

NCP = OCP x (N/n)

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

N = the number of Common Shares outstanding immediately prior to such capital reduction.

n = the number of Common Shares outstanding immediately after such capital reduction.

For the avoidance of doubt, no adjustment to the Conversion Price under this subsection will be required if the Issuer cancels any Common Shares repurchased as treasury shares.

(B) If the Issuer shall reduce its share capital other than by means of canceling any Common Shares repurchased as treasury shares and shall distribute cash in connection with such share capital reduction, the Conversion Price then in effect on the record date of such capital reduction shall be adjusted in accordance with the following formula:

NCP = OCP x (1 – C/c) x N/n

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

N and n have the meanings ascribed thereto in clause (A) of this subsection above.

C = the amount of cash distributed per Common Share.

c = the Closing Price on the last Trading Day prior to such capital reduction.

For the avoidance of doubt, no adjustment to the Conversion Price under this subsection will be required if the Issuer cancels any Common Shares repurchased as treasury shares.

(C) Effective date of adjustment: Such adjustment shall become effective immediately on the record date of such capital reduction.

(viii) In case a tender or exchange offer made by the Issuer or any Subsidiary of the Issuer for all or any portion of the Common Shares shall expire and such tender or exchange offer shall involve the payment by the Issuer or such Subsidiary of consideration per Common Share having a fair

market value (as determined by an independent financial institution selected by the Issuer, at the expense of the Issuer and promptly notified in writing to the Trustee, the Conversion Agent and the Paying Agent) at the last time (the "**Expiration Date**") tenders or exchanges could have been made pursuant to such tender or exchange offer (as it shall have been amended) that exceeds the Market Value per Common Share, as of the Expiration Date, the Conversion Price shall be adjusted in accordance with the following formula:

NCP = OCP x [(N x M) / (a + [(N - n) x M])]

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

N = the number of Common Shares outstanding (including any tendered or exchanged Common Shares) on the Expiration Date.

M = Market Value per Common Share as of the Expiration Date.

a = the fair market value of the aggregate consideration payable to the holders of Common Shares based on the acceptance (up to a maximum specified in the terms of the tender or exchange offer) of all Common Shares validly tendered or exchanged and not withdrawn as of the Expiration Date (the Common Shares deemed so accepted up to any such maximum, being referred to as the "**Purchased Shares**").

n = the number of Purchased Shares.

such reduction to become retroactively effective immediately prior to the opening of business on the day following the Expiration Date.

If the Issuer is obligated to purchase Common Shares pursuant to any such tender or exchange offer, but the Issuer is permanently prevented by applicable law from effecting any such purchase or all such purchases are rescinded, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such tender or exchange offer had not been made.

(ix) In case the Issuer issues Common Shares (other than (A) Common Shares issued upon conversion or exchange of any convertible or exchangeable securities (including the Bonds) issued by the Issuer; (B) Common Shares issued upon exercise of any rights or warrants granted, offered or issued by the Issuer; (C) Common Shares issued to employees (including but not limited to as stock-based employee bonus and restricted share units); or (D) Common Shares issued in any of the circumstances described in subsections (i) and (ii)) or the Issuer or any Subsidiary of the Issuer shall issue any securities initially convertible into or exchangeable for Common Shares at a price per Common Share less than the Market Value per Common Share determined as of the date on which the Board of Directors or shareholders' meeting of the Issuer or such Subsidiary, if applicable, approves such issuance, the Conversion Price in effect immediately prior to the date of issue of such Common Shares or convertible or exchangeable securities shall be adjusted and become effective in accordance with the following formula:

NCP = OCP x [(N + v) / (N + n)]

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

N = the number of Common Shares outstanding on the date of issuance of such Common Shares or initially convertible or exchangeable securities, immediately prior to such issuance.

n = the number of Common Shares issued or issuable upon conversion or exchange of such initially convertible or exchangeable securities.

v = the number of Common Shares which the aggregate consideration issue price of the total amount of Common Shares would purchase at Market Value; in the case of convertible or exchangeable securities, the number of Common Shares which the conversion price or exchange price of the newly issued securities multiplied by "n" would purchase at Market Value; provided that if the new Common Shares are issued by the Issuer to exchange for the total outstanding shares of an entity to be consolidated with, merged or amalgamated into the Issuer, such "aggregate consideration issue price of the total amount of Common Shares" shall mean the aggregate amount of the fair value per common share of such entity multiplied by "n" and further multiplied by the applicable share swap ratio under such consolidation, merger or amalgamation. The fair value per common share of such entity shall be (x) in the case of a listed company, either (i) the closing price of its common share on the date on which the share swap ratio was approved by the shareholders' meeting or board of directors (as applicable) or (ii) the simple average of the closing prices of its common shares on one, three or five business days immediately preceding the date on which the share swap ratio is approved by the shareholders' meeting or board of directors (as applicable); or (y) in the case of a private company, either (i) the fair value falling into the fair value of such entity as determined by an independent expert in its fairness opinion or (ii) the net value per common share of such entity calculated based on the latest audited or reviewed financial statements, in each case, times the share swap ratio.

If the conversion or exchange right of any such convertible or exchangeable securities expires prior to exercise, the Conversion Price shall be readjusted to reflect the actual securities converted or exchanged.

(x) In case the Issuer reissues the Common Shares to change the par value of the Common Shares, then the Conversion Price shall be adjusted in accordance with the following formula:

NCP = OCP x (N / n)

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

N = the number of Common Shares outstanding immediately prior to such change of par value of Common Shares.

n = the number of Common Shares outstanding immediately after such change of par value of Common Shares.

Such adjustment shall become effective immediately on the record date for exchanging the Common Share with new par value for the Common Shares with original par value.

(xi) If the Issuer shall declare a dividend in, or make a free distribution or bonus issue of, Common Shares which dividend, issue or distribution is to be paid or made to shareholders as of a record date which is also:

(A) the record date for the issue of any rights or warrants which requires an adjustment of the Conversion Price pursuant to subsections (iii) or (iv) above;

(B) the day immediately before the date of issue of any securities convertible into or exchangeable for Common Shares which requires an adjustment of the Conversion Price pursuant to subsection (ix) above;

(C) the day immediately before the date of a distribution which requires an adjustment of the Conversion Price pursuant to subsection (v) above;

(D) the record date for distribution of cash which requires an adjustment of the Conversion Price pursuant to subsection (vi) above;

(E) the record date of capital reduction which requires an adjustment of the Conversion Price pursuant to subsection (vii) above;

(F) the record date for exchanging the Common Share with new par value for the Common Shares with original par value which requires an adjustment of the Conversion Price pursuant to subsection (x) above;

(G) the Expiration Date with respect to any tender or exchange offer which requires an adjustment to the Conversion Price pursuant to subsection (viii) above; or

(H) the relevant date for an analogous event or circumstance which requires an adjustment to the Conversion Price;

then (except where such dividend, bonus issue or free distribution gives rise to a retroactive adjustment of the Conversion Price under subsections (i) or (ii) above) no adjustment of the Conversion Price in respect of such dividend, bonus issue or free distribution shall be made under the relevant subsections, but in lieu thereof an adjustment shall be made (A) under subsections (iii), (ix) or (x) above, as applicable, by including in the denominator of the fraction described therein the aggregate number of Common Shares to be issued pursuant to such dividend, bonus issue or free distribution and (B) under subsections (v), (vi), (vii) and (viii) above, as applicable, by multiplying the Conversion Price after the adjustment under such subsections by a fraction the numerator of which is the number of Common Shares outstanding on the record date and the denominator of which is the sum of such number of Common Shares outstanding and the aggregate number of Common Shares to be issued pursuant to such dividend, bonus issue or free distribution.

With the provisions in this subsection unaffected, where more than one event which gives rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the opinion of the Issuer, a modification to the operation of the adjustment provisions is required in order to yield the intended result, such modification shall be made, with the assistance of an independent financial institution selected by the Issuer, at the expense of the Issuer and promptly notified in writing to the Trustee, as may, in the opinion of the Issuer, be appropriate to yield such intended result.

(xii) In case of a Merger of the Issuer, each Bond then outstanding shall, without the consent of any Bondholders, become convertible only into the kind and amount of securities, cash and other property receivable upon such Merger by a holder of the number of Common Shares, into which such Bonds could have been converted immediately prior to such Merger. The corporation formed by such Merger or the Person that acquired such properties and assets shall enter into a supplemental indenture with the Trustee to provide for the continuation of the Conversion Rights to continue after such Merger and such supplemental indenture shall provide for adjustments to the Conversion Price which shall be as nearly equivalent as practicable to the adjustments provided in the Indenture provided that where there has been a Change of Control pursuant to such a Merger, a Holder may exercise its Change of Control Put Right as set forth in "*— Repurchase in the Event of Change of Control*".

If any event or circumstance analogous to the events and circumstances described in subsections (i) through (x) occur, the Conversion Price shall be adjusted as set forth in the analogous subsection in the Indenture.

Provisions Applicable to All Conversions and Adjustments of Conversion Price

No adjustment of the Conversion Price will be required to be made until cumulative adjustments, required to be made in the circumstances set forth above, amount to 1.0% or more of the Conversion Price as last adjusted. However, any adjustment, required to be made in the circumstances set forth above, which is not made because of failure to meet the 1.0% threshold, will be carried forward. Except as otherwise described below, the Conversion Price may at any time be reduced by the Issuer.

The Issuer will not take any action which would reduce the Conversion Price per Common Share below the par value of the Common Shares (currently NT$10 per share), unless, under applicable law then in effect, the Bonds could be converted at such reduced Conversion Price into legally issued, fully-paid and non-assessable Common Shares.

All calculations relating to conversion, including adjustments of the Conversion Price, will be made to the lower 0.001 of a share of securities or other property or nearest cent, as the case may be.

Whenever the Conversion Price is adjusted, the Issuer will promptly file with the Trustee and the Conversion Agent an officer's certificate setting forth the date on which such adjustment became effective, the Conversion Price after such adjustment and prior to such adjustment and setting forth a brief statement of the facts requiring such adjustment. Promptly after receipt of such certificate, the Issuer will prepare a notice of such adjustment of the Conversion Price setting forth the adjusted Conversion Price, the Conversion Price prior to such adjustment, a brief statement of the facts requiring such adjustment and the date on which such adjustment became effective and such notice of such adjustment of the Conversion Price shall be given by the Issuer to the Holders (and the Trustee and the Paying Agent) in accordance with the notice provisions of the Indenture as described below under "— *Notices*.".

Events of Default; **Notice and Waiver**

The Indenture provides that, if one or more of the following events or conditions (each an "**Event of Default**") shall have occurred and is continuing, either (i) the Trustee at its sole and absolute discretion may, or (ii) the Holders of not less than 25% in aggregate principal amount of the Bonds then outstanding (by notice in writing to the Issuer and to the Trustee) may, or (iii) the Trustee at the written direction of Holders of not less than 25% in aggregate principal amount of the Bonds then outstanding (subject to being indemnified and/or secured and/or prefunded by such Holders to its satisfaction) shall, declare the Bonds to be immediately due and payable at the applicable Early Redemption Amount, Additional Amounts, if any, and other amounts. In the case of certain events of bankruptcy or insolvency, the Bonds shall automatically become and be immediately due and payable at the applicable Early Redemption Amount, Additional Amounts, if any, and other amounts. Under certain circumstances, the Holders of a majority in aggregate principal amount of the outstanding Bonds may rescind any such acceleration with respect to the Bonds and its consequences.

Under the Indenture, Events of Default include:

(i) default in payment of the principal of or premium (if any) on any Bond, as and when the same becomes due and payable, and continuance of such default for three Business Days;

(ii) default in the payment of Additional Amounts upon any Bond as and when the same becomes due and payable, and continuance of such default for five Business Days;

(iii) failure by the Issuer to deliver the Common Shares as and when such Common Shares are required to be delivered following conversion of a Bond and which default is not remedied within five Business Days;

(iv) failure on the part of the Issuer duly to observe or perform any of the covenants or agreements provided in the Bonds or the Indenture (other than those referred to in clauses (i), (ii) or (iii) above) which failure cannot be remedied or, if such failure is capable of being remedied, is not remedied within 30 days after the date on which written notice thereof requiring the Issuer to remedy the same shall have been given to the Issuer by the Trustee acting on the written instructions of the Holders of at least 25% in aggregate principal amount of the Bonds then outstanding;

(v) there shall have been entered against the Issuer or any of its Principal Subsidiaries a final judgment, decree or order by a court of competent jurisdiction for the payment of money in excess of US$75 million with respect to the Issuer or any of its Principal Subsidiaries (or its equivalent in any other currency or currencies) and 60 days shall have passed since the entry of the order without it being bonded, satisfied, discharged or stayed;

(vi) (A) the Issuer or any of its Principal Subsidiaries shall fail to make any payment with respect to present or future Debt (other than the Bonds) in an aggregate principal amount in excess of US$75 million with respect to the Issuer or any of its Principal Subsidiaries (or its equivalent in any other currency or currencies) when and as the same shall become due and payable, if such failure shall continue for more than the period of grace, if any, originally applicable thereto or (B) the Issuer or any of its Principal Subsidiaries shall fail to perform or observe any covenant or agreement to be performed or observed by the Issuer or any of its Principal Subsidiaries contained in any agreement or instrument evidencing Debt (other than the Bonds) in an

aggregate principal amount in excess of US$75 million with respect to the Issuer or any of its Principal Subsidiaries (or its equivalent in any other currency or currencies) and such failure results in the acceleration of the maturity of any amount owing thereunder;

(vii) a decree or order by a court having jurisdiction shall have been entered under any applicable bankruptcy, insolvency, reorganization or other similar law (A) adjudging the Issuer or any of its Principal Subsidiaries as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization of the Issuer or any of its Principal Subsidiaries or (B) appointing a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer or any of its Principal Subsidiaries or of its property or (C) ordering the winding up or liquidation of the affairs of the Issuer or any of its Principal Subsidiaries and in any such case such decree or order shall have continued undischarged and unstayed for a period of 60 days;

(viii) the Issuer or any of its Principal Subsidiaries shall voluntarily commence proceedings to be adjudicated a bankrupt or insolvent, or shall consent to the filing of a bankruptcy or insolvency proceeding against it, or shall file a petition or answer or consent seeking reorganization under any applicable bankruptcy, insolvency, reorganization or other similar law or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or its property, or shall make an assignment for the benefit of creditors;

(ix) any step is taken by any governmental or official authority or agency with a view to the expropriation or nationalization of all or a material part of the assets of the Issuer or any of its Principal Subsidiaries;

(x) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorization, exemption, filing, license, order, recording or registration) at any time required to be taken, fulfilled or done in order (a) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and the Indenture, (b) to ensure that those obligations are legally binding and enforceable, and (c) to make the Bonds and the Indenture admissible in evidence in the courts of the ROC is not taken, fulfilled or done and, in the case of paragraph (c), if capable of being remedied, is not remedied within 30 days after the date of the Trustee's notice; or

(xi) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of paragraphs (i) to (x) (both inclusive).

If an Event of Default shall have occurred and be continuing, interest shall accrue on the overdue sum at the rate of 3.70% per annum from the due date and ending on the date on which payment is made to the Holders in respect thereof (both dates inclusive). Such default interest shall accrue on the basis of the actual number of days elapsed and a 360-day year consisting of 12 months of 30 days each.

The Trustee shall, within 90 days after the occurrence of any Default or Event of Default or, if later, within 15 days of receipt of written notice of any Default or Event of Default, give Holders notice of all Defaults or Events of Default, unless such Defaults or Events of Default shall have been cured or waived and the Trustee shall have been notified so in writing before the giving of such notice.

The Holders of a majority in aggregate principal amount of the outstanding Bonds may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee; provided that the Trustee may refuse to follow any direction that conflicts or would conflict with any law or the Indenture or that the Trustee determines in good faith is unduly prejudicial to the rights of the other Bondholders (it being understood that the Trustee shall have no duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Holders) or would involve the Trustee in personal liability. The Trustee may refuse to perform any duty, exercise any right or power, expend or risk its own funds or otherwise incur any financial liability, unless it receives indemnity, pre-funding and/or security satisfactory to it against any loss, liability or expense. For the avoidance of doubt, for so long as the Bonds are represented by one or more Global Bonds and such Global Bonds are registered in the name of the Common Depositary or its nominee or held through Euroclear or Clearstream, the Trustee may treat the beneficial owner(s) of the Global Bond as the "Holder" of such principal amount of the Bonds so held by such beneficial owner(s) (as shown in the records of Euroclear or Clearstream at the relevant time) for purposes of the provision of directions

or instructions to the Trustee. No Holder will have the right to pursue any remedy with respect to the Indenture or the Bonds, unless:

(i) such Holder shall have previously given the Trustee written notice of a continuing Event of Default;

(ii) the Holders of at least 25% in aggregate principal amount of the outstanding Bonds shall have made a written request to the Trustee to pursue such remedy;

(iii) such Holder or Holders shall have offered to the Trustee security and/or indemnity and/or prefunding against any loss, liability or expense satisfactory to it;

(iv) the Trustee shall have failed to comply with the request within 60 days after receipt of such notice, request and provision of security and/or indemnity and/or prefunding; and

(v) the Holders of a majority in aggregate principal amount of the outstanding Bonds shall not have given the Trustee a direction inconsistent with such request within 60 days after receipt of such request.

The right of any Holder (i) to receive payment of the principal of and other amounts on the Bonds, Additional Amounts, the Holder's Put Price upon exercise of the Holder's Put Right, the Delisting Put Price upon exercise of the Delisting Put Right or the Change of Control Put Price upon exercise of the Change of Control Put Right, or to receive Common Shares on or after any Redemption Date, Purchase Date or Conversion Date, as the case may be, (ii) to convert its Bonds or (iii) to bring suit for the enforcement of any such right, shall not be materially impaired or materially adversely affected without such Holder's consent.

The Holders of a majority in aggregate principal amount of Bonds at the time outstanding may waive any existing Default and its consequences, except (i) any default in any payment on the Bonds, (ii) any default with respect to the Conversion Rights of Holders or (iii) any default with respect to certain covenants or provisions in the Indenture which may not be modified without the consent of the Holder as described in "— *Meeting of Bondholders; Modification and Waiver*" below. When a Default is waived, it is deemed cured and shall cease to exist, but no such waiver shall extend to any subsequent or other Default or impair any consequent right.

The Trustee and the Agents shall not be required to take any steps to ascertain whether a Default or an Event of Default or any event which could lead to the occurrence of a Default or an Event of Default has occurred and will not be responsible to Holders or any other person for any loss arising from any failure by it to do so. The Trustee or the Agents shall be entitled to assume that no such event has occurred and that the Issuer is performing all its obligations under the Indenture and the Bonds until they have received written notice to the contrary from the Issuer. The Trustee is entitled to rely conclusively (without liability) on any opinion of counsel or officer's certificate exclusively and conclusively regarding whether a Default or an Event of Default has occurred.

The Issuer will be required to furnish to the Trustee annually, and within 14 days at the request of the Trustee, an officer's certificate concerning the performance and observance of its obligations under the Bonds or the Indenture. In addition, the Issuer is required to file promptly with the Trustee (within 14 days following the Trustee's request) an officer's certificate of the occurrence of any Default or Event of Default, specifying each such default and the nature and status thereof.

Prescription

Claims in respect of payment of the principal of or other amounts on the Bonds will be prescribed unless made within a period of six years from the relevant due date of payment in respect thereof.

Under ROC laws, claims in respect of the payment of (a) principal and (b) early redemption premium or default interest would become unenforceable after 15 years and 5 years, respectively, from the relevant due date of payment in respect thereof.

Meeting of Bondholders; **Modification and Waiver**

The Indenture contains provisions for convening meetings (including by way of teleconference or videoconference call) of the Holders to consider any matter affecting their interests, including the approval of certain amendments or modifications of the Bonds or the provisions of the Indenture upon either the written

consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Bonds or the approval at a meeting of the Holders duly called by persons entitled to vote a majority in aggregate principal amount of the outstanding Bonds. The quorum at any such meeting shall be two or more persons entitled to vote a majority in aggregate principal amount of the outstanding Bonds.

Modifications and amendments of the Indenture or the Bonds may be made by the Issuer and the Trustee with the written consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Bonds; provided that no such modification or amendment may, without the consent of the Holders of not less than 75% in aggregate principal amount of the outstanding Bonds:

(i) change the Maturity Date of the principal of any Bond;

(ii) change any Bondholder's Put Option Date;

(iii) reduce the principal of or other amounts on any Bond payable in respect of the Bonds;

(iv) increase the then current Conversion Price (except as required by the anti-dilution provisions of the Indenture);

(v) change the place or currency of payment of the principal of or other amounts on any Bond or the method of calculating any such payment;

(vi) alter the obligations of the Issuer under "— *Certain Covenants — Negative Pledge*", "— *Certain Covenants — Consolidation, Amalgamation or Merger*" or "— *Additional Amounts*" above;

(vii) materially adversely affect the Conversion Right, the Holder's Put Right, the Delisting Put Right or the Change of Control Put Right;

(viii) modify the obligations of the Issuer to maintain an office or agency;

(ix) reduce the above-stated percentage of outstanding Bonds the consent of whose Holders is necessary to modify or amend the Indenture;

(x) reduce the percentage or aggregate principal amount of outstanding Bonds the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain Defaults;

(xi) modify any of the percentage voting and quorum provisions described under "—*Meeting of Bondholders; Modification and Waiver*"; or

(xii) release the Issuer from any obligation under the Indenture other than in accordance with the provisions of the Indenture, or amend or modify any provision relating to such release in a manner that materially adversely affects the rights of the Holders.

Neither the Issuer nor any of its Subsidiaries will, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Bonds, unless such consideration is offered to be paid or agreed to be paid to all Holders that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or amendment.

Without the consent of any Holder, the Issuer together with the Trustee may amend the Indenture to:

(i) cure any ambiguity, manifest error, defect or inconsistency in the Indenture or the Bonds;

(ii) provide for the assumption of the Issuer's obligations under the Bonds and the Indenture by the surviving Person in a Merger effected in accordance with the provisions of the Indenture described under "—*Certain Covenants — Consolidation, Amalgamation or Merger*" above;

(iii) make any other change that does not materially adversely affect the rights of any Holder;

(iv) make any change necessary to comply with applicable ROC laws and regulations;

(v) add to the covenants or obligations of the Issuer under the Indenture or decrease the Conversion Price at the discretion of the Issuer or surrender any right, power or option conferred by the Indenture on the Issuer; or

(vi) effect any changes to the Indenture in a manner necessary to comply with the procedures of Euroclear or Clearstream or any applicable clearing system.

Notices

Whenever the Indenture provides for notice to be given to Holders, such notice will be validly given (except as otherwise expressly provided) if in writing and delivered to each Holder entitled thereto, at such Holder's address as it appears on the Bond register. Any such notice shall be deemed to have been given on the seventh day after being so delivered. Notwithstanding the foregoing, so long as the Bonds are represented by the Global Bonds and the Global Bonds are held on behalf of Euroclear and Clearstream, notice to Holders may be given by delivery of the relevant notice to Euroclear and Clearstream or their successor clearing systems for communication by them to entitled accountholders in substitution for notification as required by the foregoing sentence.

Concerning the Trustee

Citicorp International Limited has been initially appointed as Trustee under the Indenture and as registrar (the "**Registrar**") with regard to the Bonds, and Citibank, N.A., London Branch, a banking corporation organized and existing under the laws of the State of New York with limited liability, has been appointed as Paying Agent, as Conversion Agent and as Transfer Agent with regard to the Bonds. The Indenture provides that, prior to the occurrence of an Event of Default, the Trustee will not be liable except for the performance of such duties as are specifically set forth in such Indenture and no implied covenant, duty or obligation shall be read into the Indenture, the Bonds or any documents to which the Trustee is a party against the Trustee. If an Event of Default has occurred and is continuing, the Trustee will be obligated to use the same degree of care and skill as a prudent person would exercise under the circumstances in the conduct of such person's own affairs. The Trustee will not be responsible for any loss, liability, cost, claim, actions, demand, expense or inconvenience which may result from their exercise or non-exercise of any rights or powers conferred under the Indenture for the benefit of the Holders. Whenever in the Indenture, the Bonds or by law, the Trustee shall have discretion or permissive power it may decline to exercise the same in the absence of approval by the Bondholders. In the exercise of its duties, the Trustee shall not be responsible for the verification of the accuracy or completeness of any certification submitted to it by the Issuer and is entitled to rely exclusively and conclusively on the certification contained therein, and take action based on the information contained in, the certification or legal opinion. Notwithstanding anything described herein, the Trustee has no duty to monitor the performance or compliance of the Issuer in the fulfillment of its obligations under the Indenture and the Bonds. Furthermore, the Trustee shall not be deemed to have any actual or constructive knowledge of any Default or Event of Default unless it has been actually notified in writing of such event.

The Trustee shall not be responsible for the performance by the Issuer or any other person appointed by the Issuer in relation to the Bonds and, unless notified in writing to the contrary, shall assume that the same are being duly performed. The Trustee shall not be liable to any Holders or any other person for any action taken by the Holders or the Trustee in accordance with the instructions of the Holders.

The Trustee is entitled to rely exclusively and conclusively on all instructions, notices, declarations and certifications or any translations (if applicable) received pursuant to the Indenture or the Bonds without investigating or being responsible for the accuracy, authenticity and validity of these instructions, notices, declarations and certifications or any translations thereof.

Neither the Trustee nor the Agents will be responsible for making calculations or for verifying calculations performed by the Issuer or any other persons, or have a duty to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection thereto, and shall not be liable to the Holders or any other person for not doing so.

The Trustee or any of the Agents may become the owner or pledgee of the Bonds with the same rights it would have if it were not the Trustee or an Agent and may otherwise deal with the Issuer and receive, collect, hold and retain collections from the Issuer with the same rights it would have if it were not the Trustee or an Agent.

Pursuant to the terms of the Indenture and the Bonds, the Issuer will reimburse the Trustee and the Agents for all properly incurred expenses and advances properly made, except to the extent that any such expense was due to the Trustee's fraud, willful default or gross negligence.

The Indenture contains limitations on the rights of the Trustee, should it become a creditor of the Issuer to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. Without prejudice to the foregoing, the Trustee is permitted to deal (whether on their own or their customers' account) in, or advise on, securities of such other customers and that such dealing or giving of advice will not constitute a conflict of interest for the purposes of the Bonds or the Indenture. The Trustee and entities associated with it are permitted to engage in other transactions, business and other contractual relationships with the Issuer, its Subsidiaries and its Affiliates and shall not be obligated to account for any profits therefrom. The Trustee and the Agents may have an interest in, may be providing, or may in the future provide financial or other services to other parties. The Trustee shall have no liability merely by virtue of the existence of any such relationship other than by reason of its gross negligence or willful default.

If an Event of Default occurs and is continuing, the Trustee may, but will not be obliged to, and shall, upon written request of Holders of at least 25% in aggregate principal amount of outstanding Bonds (subject to receiving indemnity, prefunding and/or security to its satisfaction at its sole discretion against any loss, liability or expense), pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of and interest on the Bonds or to enforce the performance of any provision of the Bonds or this Indenture. The Trustee may maintain a proceeding even if it does not possess any of the Bonds or does not produce any of them in the proceeding.

The Trustee will not be under any obligation to exercise and have sole, absolute and uncontrolled discretion as to the exercise or non-exercise of any rights or powers conferred under the Indenture for the benefit of the Holders unless such Holders have instructed the Trustee in writing pursuant to the terms of the Indenture and offered to the Trustee indemnity and/or security and/or pre-funding satisfactory to the Trustee at its sole discretion against any costs, loss, liability or expense which may be incurred therein or thereby.

Furthermore, each Holder, by accepting the Bonds, will agree, for the benefit of the Trustee and each Agent, that it is solely responsible for its own independent appraisal of and investigation into all risks arising under or in connection with the Indenture and the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, and the Trustee and the Agents shall not at any time have any responsibility for the same and has not relied on and will not at any time rely on the Trustee or the Agents in respect of such risks.

Disclosure Obligations

The Indenture provides that the Issuer may have certain disclosure obligations and reporting obligations under ROC law if:

(i) the person to be registered as a shareholder of the Issuer is a "**related party**" of the Issuer under the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the ROC and such person beneficially owns Common Shares converted from the Bonds; or

(ii) the person to be registered as a shareholder owns or will own more than 5% of the total number of Common Shares (including the Common Shares expected to be issued upon conversion of the Bonds).

Due to these obligations, the Issuer may ask the converting Holders to disclose the name of the person to be registered as the shareholder and to provide proof of identity and genuineness of any signature and other information and documents before it will convert the Bonds. The conversion of Bonds may be delayed until the Issuer receives the requested information and satisfactory evidence of the compliance with all laws and regulations by the Holders. The information the Holder is required to provide may include the name and nationality of the person to be registered as a shareholder of the Issuer and the total number of Common Shares such person is converting or has converted in the past.

Governing Law and Jurisdiction

The Indenture and the Bonds are governed by, and shall be construed in accordance with, the laws of the State of New York. In relation to any legal action or proceedings arising out of or in connection with the Indenture and the Bonds, the Issuer has in the Indenture irrevocably and unconditionally submitted to the non-exclusive

jurisdiction of the New York State and United States Federal courts sitting in the Borough of Manhattan, The City of New York. The Issuer has appointed Cogency Global Inc., now at 122 East 42nd Street, 18th Floor, New York, NY 10168, as its agent for service of process.

Under current ROC law, ROC courts may not recognize a foreign judgment where a default judgment was rendered by the foreign court and where the defendant was not personally served while within the jurisdiction of such foreign court or with the judicial assistance of ROC courts. The ROC courts may further decide that the process served on the agent for service of process of the Issuer does not constitute a service of process in person. Therefore, to increase the possibility of the recognition of a foreign judgment by the ROC courts, it may be necessary to serve the Issuer through the judicial assistance of an ROC court. Please see "Enforceability of Foreign Judgments in the Republic of China" set out in the Offering Memorandum.

Bondholders should note that exercise of a Conversion Right is subject not only to the provisions of the Indenture but also to the applicable ROC laws and regulations.

TAXATION

The following is a summary of the principal ROC tax consequences of the ownership and disposition of the Bonds or the Common Shares to a Non-ROC Resident Individual or Non-ROC Resident Entity (each a "**Non-ROC Holder**"). As used in the preceding sentence, a "Non-ROC Resident Individual" is a foreign national individual who does not have a domicile in ROC and owns the Bonds or the Common Shares and does not reside in the ROC for 183 days or more during any calendar year, and a "Non-ROC Resident Entity" is a corporation or a non-corporate body that owns the Bonds or the Common Shares and is organized under the laws of a jurisdiction other than the ROC and has no fixed place of business or business agent in the ROC.

You should consult your tax advisors concerning the ROC tax consequences of owning the Bonds or Common Shares and the laws of any relevant taxing jurisdiction to which you are subject.

Appointment of Tax Guarantor

When a Non-ROC Holder of the Bonds exercises its Conversion Rights and registers as the Company's shareholder, such Holder will be required to appoint an agent as a tax guarantor in the ROC. The tax guarantor will be required to meet the qualifications set by the Ministry of Finance and will act as the guarantor of such Non-ROC Holder's tax payment obligations. Evidence of the appointment of a tax guarantor and the approval of such appointment and tax clearance certificates issued by the relevant ROC tax authority are required as conditions to receive such Holder's profits derived from the sale of the Common Shares.

Bonds

Possible Interest Payments

Payments of interest or premium (if any ever becomes payable on the Bonds) to a Non-ROC Holder constitute interest income derived from the ROC and, therefore, are subject to ROC withholding tax at a rate of 15% at the time of payment unless a lower withholding rate is provided under a tax treaty between the ROC and the jurisdiction where the Non-ROC Holder is a resident. The Company has agreed to pay, subject to certain exceptions, Additional Amounts in respect of such withholding tax on the payments of interest or premium. See "*Description of the Bonds — Additional Amounts*".

Sale

The sale of convertible bonds which were issued and offered by ROC companies outside of the ROC is not subject to ROC securities transaction tax according to a tax directive issued by the ROC Ministry of Finance dated March 23, 2010. Accordingly, the sale of the Bonds will not be subject to the securities transaction tax.

Sales of the Bonds by Non-ROC Holders are regarded as transactions relating to property located outside the ROC and thus any resultant gains are currently not subject to ROC income tax.

Conversion into Common Shares

The conversion of the Bonds into Common Shares is currently not subject to ROC tax. However, securities transaction tax, gift tax and/or income tax may be imposed in relation to the converting holder's designation of other person to be the holder of Common Shares upon conversion of the Bonds.

Common Shares

Dividends on the Common Shares

Dividends (whether in cash or Common Shares) distributed by the Company out of retained earnings and paid out to Non-ROC Holders of Common Shares are normally subject to ROC withholding tax collected at the time of distribution. The current rate of withholding for Non-ROC Holders of Common Shares is 21% of the amount of the distribution, unless a lower withholding rate is provided under a tax treaty between the ROC and the jurisdiction where the Non-ROC Holder is a resident.

Distributions of stock dividends declared by the Company out of capital reserves are not subject to withholding tax, except under limited circumstances.

In accordance with the ROC Income Tax Act, a 5% retained earnings tax will be imposed on a company for its annual after-tax earnings generated after January 1, 2018 which are not distributed in the following year. The retained earnings tax so paid will further reduce the retained earnings available for future distribution.

Preemptive Rights

Distributions of statutory subscription rights for the Common Shares in compliance with the ROC Company Act are not subject to ROC tax. Proceeds derived from sales of statutory subscription rights evidenced by securities are subject to securities transactions tax, currently at the rate of 0.3% of the gross amount received. Non-ROC Holders are exempt from income tax on any capital gains from such sales. However, proceeds derived from sales of statutory subscription rights which are not evidenced by securities are subject to income tax at the rate of 20% of the gains realized. Subject to compliance with ROC law, the Company has the sole discretion to determine whether statutory subscription rights shall be evidenced by the issuances of securities.

Sale

Under current ROC law, Non-ROC Holders are exempt from income tax on any capital gains generated from the sale of Common Shares.

The ROC Government imposes a securities transaction tax that will apply to sales of the Common Shares. The securities transaction tax, which is payable by the seller, is levied on sales of Common Shares at the rate of 0.3% of the gross amount received.

Estate Tax and Gift Tax

ROC estate tax is payable on any property located within the ROC of a deceased Non-ROC Resident Individual, and ROC gift tax is payable on any property located within the ROC donated by a Non-ROC Resident Individual. Estate tax and gift tax are currently imposed at progressive rates of 10%, 15% and 20%. Under ROC estate and gift tax laws, the Bonds and Common Shares are deemed located in the ROC without regard to the location of the holder. Nevertheless, it is unclear whether a holder of the Bonds will be considered to own the Common Shares for this purpose.

Tax Treaty

At present, the ROC has double tax treaties with Indonesia, Singapore, New Zealand, Australia, South Africa, Gambia, Senegal, Sweden, Eswatini, Malaysia, North Macedonia, Netherlands, Belgium, Denmark, United Kingdom, Vietnam, Israel, Paraguay, Hungary, France, India, Slovakia, Switzerland, Germany, Thailand, Kiribati, Luxembourg, Austria, Italy, Japan, Canada, Poland, Czech Republic, Saudi Arabia and South Korea. These tax treaties may provide a reduced withholding tax rate on interests and/or dividends paid with respect to bonds or shares in ROC companies.

TRANSFER RESTRICTIONS

Transfer Restrictions on the Bonds

Because of the following restrictions, we encourage you to consult a legal counsel prior to making any offer, resale, pledge or other transfer of the Bonds or the Common Shares issuable upon conversion of the Bonds.

The Bonds may not be offered or sold directly or indirectly in the ROC. The Bonds and the Common Shares issuable upon conversion of the Bonds have not been registered under the Securities Act and the Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

Except in certain limited circumstances, interests in the Bonds may only be held through interests in the Global Bond. Such interests in the Global Bond will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their respective direct and indirect participants.

Each purchaser of the Bonds, by accepting delivery of the Bonds, will be deemed to have acknowledged and represented to and agreed as follows (terms used herein that are defined in Regulation S are used as defined therein):

1. the Bonds and the Common Shares issuable upon conversion of the Bonds have not been and are not expected to be registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions on transfer;

2. it is purchasing such Bonds outside the United States in an offshore transaction meeting the requirements of Regulation S;

3. it agrees (or if it is a broker-dealer, its customer has confirmed to it that such customer agrees) that it (or such customer) will not offer, sell, pledge or otherwise transfer such Bonds except as permitted by the applicable legend set forth in paragraph (4) below;

4. it understands that the Global Bond and any physical certificate evidencing the Bonds will bear a legend to the following effect, unless the Company determines otherwise in compliance with applicable law, and that it will observe the restrictions contained therein:

   THE ZERO COUPON CONVERTIBLE BONDS DUE 2031 (THE "BONDS") AND THE COMMON SHARES ISSUABLE UPON CONVERSION OF THE BONDS HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED, SOLD, PLEDGED, DELIVERED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE SECURITIES LAWS. EACH HOLDER AND BENEFICIAL OWNER, BY ITS ACCEPTANCE OF THE BONDS EVIDENCED HEREBY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS;

5. it understands that the Bonds will be represented initially by a Global Bond; and

6. we, the Trustee, the Agents, the Initial Purchasers and their respective affiliates or advisers, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of Bonds that may wish to resell any Bonds pursuant to Regulation S is advised that application has been made to the SGX-ST for the listing of the Bonds on the SGX-ST.

PLAN OF DISTRIBUTION

Citigroup Global Markets Limited and Morgan Stanley Asia Limited (in alphabetical order) are the joint bookrunners and the Initial Purchasers of this Offering.

Subject to the terms and conditions stated in a purchase agreement, dated as of September 10, 2026, entered into between the Company and the Initial Purchasers, the Initial Purchasers have agreed to purchase, and the Company has agreed to sell to that Initial Purchasers, the following principal amounts of the Bonds:

Initial Purchasers	**Principal Amount**
Citigroup Global Markets Limited	US$750,000,000
Morgan Stanley Asia Limited	US$750,000,000
Total	US$1,500,000,000

The purchase agreement provides that the obligations of the Initial Purchasers to purchase the Bonds included in this Offering are subject to certain conditions, including receipt of certain legal opinions, and entitles the Initial Purchasers to terminate it in certain circumstances prior to payment being made to the Company.

The Initial Purchasers or its affiliates may purchase the Bonds for their own account and enter into transactions, including (a) credit derivatives including asset swaps, repackaging and credit default swaps relating to the Bonds and/or the Company's securities or (b) equity derivatives and stock loan transactions relating to the Common Shares at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counter-parties and separately from any existing sale or resale of the Bonds to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of the Bonds). The Initial Purchasers or its affiliates may purchase Bonds and be allocated Bonds for asset management and/or proprietary purposes and not with a view to distribution. The Initial Purchasers or any of its affiliates is not expected to disclose such transactions or the extent of any such investment, except as required by any legal or regulatory obligation to do so. These transactions may involve a substantial portion of the Bonds.

The Bonds and the Common Shares (to be delivered upon conversion of the Bonds) have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See "*Transfer Restrictions*." The Bonds will not be offered or sold directly or indirectly in the ROC, or to, or for the account or benefit of, any ROC person.

Application has been made to the SGX-ST for the listing of the Bonds on the SGX-ST. However, the Company cannot assure you that the prices at which the Bonds will sell in the market after this Offering will not be lower than the initial offering price or that an active trading market for the Bonds will develop and continue after this Offering.

The Company has agreed that, subject to certain exceptions, until 90 days after the Closing Date, not to, without the Initial Purchasers' prior written consent, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of any securities of the Company that are substantially similar to the Bonds, the Shares, including but not limited to any securities that are convertible into, or exchangeable for, the Bonds or the Shares or any such substantially similar equity securities.

The Initial Purchasers have performed commercial banking, investment banking and advisory services for us from time to time for which it has received customary fees and reimbursement of expenses. The Initial Purchasers may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. In addition, affiliates of the Initial Purchasers are lenders, and in some cases agents or managers for the lenders, under our credit facility.

Pursuant to the purchase agreement, the Company has agreed to indemnify the Initial Purchasers against certain losses and liabilities, including civil liabilities under the Securities Act in certain situation, or to contribute to payments that the Initial Purchasers may be required to make in respect thereof.

The Bonds are being sold outside of the United States to non-U.S. persons in reliance on Regulation S.

Restriction on related party subscription under ROC law

The Bonds may not be offered or sold directly or indirectly in the ROC, or to, or for the account or benefit of, any ROC person.

Under applicable ROC laws and regulations, the Company and the Initial Purchasers are prohibited from offering and selling the Bonds to the "related parties" as set forth in the International Accounting Standard ("**IAS**") 24 or the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the persons as specified in Section 36 of the ROC Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms. Therefore, each subscriber or purchaser of the Bonds described in this Offering Circular will be deemed to have acknowledged and represented to us and the Initial Purchasers that he, she or it is not: (a) a related party to the Company, (b) a business entity that is invested by the Company using equity method in the Company's accounting reporting, (c) a business entity that invests in the Company and uses equity method in its accounting reporting; (d) a company whose chairperson of the board or president is the same as that of the Company or is the spouse thereof, (e) a foundation with one-third or more of its total paid-in fund donated by the Company, (f) the Company's director, president, vice-president, assistant vice president, and other department head under the immediate supervision by the Company's president, (g) a spouse of the Company's director or president, (h) any member of the underwriting syndicate, or a director, supervisor or employee of any member of the underwriting syndicate or a spouse thereto, and (i) a person subscribing for the Bonds on behalf of or for the benefit of any person set forth in items (b) to (h) above. Unless it can be established that no control (including joint control) or significant influence exists, a party falling within any of the following shall be deemed to have a substantive related party relationship:

(1) An affiliated enterprise within the meaning given in Chapter VI-I of the ROC Company Act, and any of its directors, supervisors, and managerial officers.

(2) A company or institution governed by the same general management office as the issuer, and any of its directors, supervisors, and managerial officers.

(3) A person holding the position of manager or higher in the general management office.

(4) A company or institution shown as an affiliated enterprise in the issuer's publications or public announcements.

(5) Where the board chairman or president of another company or institution is the same person as the board chairman or president of the issuer, or is the spouse or a relative within the second degree or closer of the board chairman or president of the issuer.

Under Chapter VI-I of the ROC Company Act, the term "affiliated enterprises" as used in this Law shall refer to enterprises which are independent in existence but are interrelated in either of the following relations:

- Companies having controlling and subordinate relation between them.

- Companies having made investment in each other.

According to Article 369-3 of the ROC Company Act, the existence of a controlling and subordinate relationship shall be presumed if any of the following circumstances exists:

- More than one-half of the executive shareholders or directors of a company are also executive shareholders or directors of another company;

- More than one-half of the total number of issued voting shares or total capital of a company and another company are held or contributed by the same shareholders.

In considering whether a counterparty is a related party, attention shall be directed to the substance of the relationship in addition to the legal form.

Notice to Capital Market Intermediaries and Prospective Investors Pursuant to Paragraph 21 of the Code – Important Notice to CMIs (including Private Banks)

This notice to CMIs (including Private Banks) is a summary of certain obligations the Code imposes on CMIs, which require the attention and cooperation of other CMIs (including Private Banks). Certain CMIs may also be acting as OCs for this Offering and are subject to additional requirements under the Code.

Paragraph 21.3.3(c) of the Code requires that a CMI should take all reasonable steps to identify whether its investor clients may have any associations with the Issuer, a CMI or a company in the same group of companies as the CMI and provide sufficient information to the OC to enable it to assess whether orders placed by these investors may negatively impact the price discovery process.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Bonds. In addition, Private Banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the Initial Purchasers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language (if applicable) set out elsewhere in this Offering Circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Bonds (except for omnibus orders where underlying investor information should be provided to the OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including Private Banks as the case may be) in the order book and book messages.

CMIs (including Private Banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including Private Banks) should not enter into arrangements which may result in prospective investors paying different prices for the Bonds.

The Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, the Initial Purchasers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Bonds, Private Banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private Banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Private Banks who disclose that they are placing their order other than on a "principal" basis (i.e. they are acting as an agent) should note that such order may be considered to be an omnibus order pursuant to the Code. Private Banks should be aware that if any of their group companies is a CMI of this Offering, placing an order on a "principal" basis may require the Initial Purchasers to apply the "proprietary orders" of the Code to such order and will require the Initial Purchasers to apply the "rebates" requirements of the Code (if applicable) to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including Private Banks) are requested to provide the following underlying investor information, preferably in Excel Workbook format, in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including Private Banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to the OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to the OCs. By submitting an order and providing such

information to the OCs, each CMI (including Private Banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by the OCs and/or any other third parties as may be required by the Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the Code, for the purpose of complying with the Code, during the bookbuilding process for the Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the Offering. The Initial Purchasers may be asked to demonstrate compliance with their obligations under the Code, and may request other CMIs (including Private Banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including Private Banks) are required to provide the relevant Initial Purchasers with such evidence within the timeline requested.

Notice to prospective investors in the European Economic Area

Each of the Initial Purchasers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by this Offering Circular to any retail investor in the EEA. For the purposes of this provision, (a) the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; and (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

Notice to prospective investors in the United Kingdom

Each of the Initial Purchasers has represented and agreed that: (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or the sale of the Bonds in circumstances in which section 21(1) of the FSMA does not apply to us; and (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the UK.

Each of the Initial Purchasers has represented and agreed that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Bonds which are the subject of the offering contemplated by this Offering Circular to any retail investor in the UK. For the purposes of this provision: (a) the expression "retail investor" means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs; and (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

Notice to prospective investors in Canada

The Bonds may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are both accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Bonds must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable Canadian securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Under Canadian securities laws, National Instrument 33-105 *Underwriting Conflicts* (NI 33-105) provides disclosure requirements with respect to potential conflicts of interest between an issuer and underwriters, dealers or placement agents, as the case may be. To the extent any conflict of interest between us and any of the

underwriters (or any other placement agent acting in connection with this Offering) may exist in respect of this Offering, the applicable parties to this Offering are relying on the exemption from these disclosure requirements provided to them by section 3A.3 of NI 33- 105 (Exemption based on U.S. disclosure).

Upon receipt of this document, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Notice to prospective investors in Hong Kong

The securities may not be offered or sold in Hong Kong by means of any document other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and no advertisement, invitation or document relating to the securities may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made thereunder.

Notice to prospective investors in Japan

The securities offered in this Offering Circular have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948) (as amended) (the "**FIEA**"). Accordingly, the securities have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to, or for the account of, any resident of Japan, or to others for re-offering or re-sale, directly or indirectly in Japan or to, for the benefit of, any resident of Japan, except pursuant to any exemption from the registration requirements of the FIEA and otherwise in compliance with the FIEA and other applicable provisions of Japanese laws, regulations and governmental guidelines. As used in this paragraph, "resident of Japan" means any person residing in Japan, including any corporation or other entity organized under the laws of Japan.

Notice to prospective investors in Singapore

This Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds may not be circulated or distributed, nor may the Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore.

Investors should note that there may be restrictions on the secondary sale of the Bonds under Section 276 of the SFA.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notice to prospective investors in the PRC

This Offering Circular is not intended to constitute a public offer of the Bonds, whether by way of sale or subscription, in the PRC. The Bonds are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC other than to QDIIs in the PRC. Pursuant to the Measures for the Administration of Overseas Securities Investment by Qualified Domestic Institutional

Investors, with the exception of QDIIs in the PRC, the Bonds may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

LEGAL MATTERS

Certain legal matters with respect to the Bonds will be passed upon for us by Baker & McKenzie as to ROC law, and for the Initial Purchasers by Latham & Watkins LLP as to U.S. federal and New York law.

INDEPENDENT AUDITORS

The consolidated financial statements of ASUSTeK Computer Inc. and its subsidiaries as of and for the years ended December 31, 2023 and 2024 and as of and for the years ended December 31, 2024 and 2025, included in this Offering Circular have been audited in accordance with Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and generally accepted auditing standards of the ROC, by PricewaterhouseCoopers, Taiwan, independent auditors, as stated in their independent auditors' reports appearing herein.

With respect to our unaudited consolidated interim financial statements as of and for the six months ended June 30, 2025 and 2026, included in this Offering Circular, PricewaterhouseCoopers, Taiwan, our independent auditors, reported that they have applied review procedures in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China for a review of such information. However, their independent auditors' review report dated August 12, 2026 with respect thereto included in this Offering Circular states that they did not audit and they do not express an opinion on that unaudited financial information. Accordingly, the degree of reliance on their independent auditors' review report on such financial statements should be restricted in light of the limited nature of the review procedures applied. The results of operations for the six-month period ended June 30, 2026 are not indicative of the results that may be expected for the year ending December 31, 2026.

PricewaterhouseCoopers, Taiwan is located at 27F, No. 333 Sec. 1, Keelung Rd, Xinyi Dist, Taipei, Taiwan.

GENERAL INFORMATION

The Company was incorporated on April 2, 1990 under the Company Act of the Republic of China and with a registered capital of NT$47,500,000,000. According to our Articles of Incorporation, our authorized share capital is NT$47,500,000,000, and as of September 10, 2026, the Company's paid-in share capital was NT$7,427,602,800, divided into 742,760,280 Common Shares with a par value of NT$10 per share. Our registered and principal executive office is located at No. 15, Lide Rd., Beitou Dist., Taipei City 112019, Taiwan (R.O.C.), and our telephone number at the above address is +886 2 2894 3447. We are registered with the MOEA and our registration number is 23638777. Our Legal Entity Identifier Code is 254900B3WB4OGRB7HM13. KGI Securities Co. Ltd. currently acts as the Company's registrar service agent for the Company's Common Shares and enters transfers of Common Shares in such register upon presentation of, among other documents, certificates in respect of the transferred Common Shares. The registered office of the Company's share registrar is 5F, 2, Sec. 1, Chung-Chin S. Rd., ZhongZheng Dist., Taipei City (ROC). The length of life of the Company shall be considered indefinite as there is no specific length of life under the laws of the ROC or in the Company's Articles of Incorporation.

The Bonds have been accepted for clearance and settlement by Euroclear and Clearstream. Relevant trading information is set forth below.

	ISIN	Common Code
Bonds	XS3501273059	350127305

Application has been made to the SGX-ST for the listing of the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this Offering Circular.

The Company has obtained all necessary consents, approvals and authorizations in connection with the issue of the Bonds.

The issue of the Bonds was authorized by the resolutions of the Company's board of directors passed on August 12, 2026.

Except as disclosed, there has been no significant change in the Company's financial or trading position since June 30, 2026 or any material adverse change in the Company's financial position or prospects since June 30, 2026.

Neither the Company nor any of its subsidiaries is involved in any litigation or arbitration proceedings which may have, or have had during the period recently preceding the date of this Offering Circular, a material adverse effect on the Company's financial position, nor, so far as any of them is aware, are any such proceedings pending or threatened except as may be otherwise disclosed or referred to herein.

No company in which the Company has a direct or indirect holding of more than 50% of capital or issued shares holds any Shares.

Copies (and certified English translations where the documents are not in English) of the following documents may be inspected, free of charge, at the specified offices of the Issuer, so long as the Bonds remain outstanding:

- the Company's Articles of Incorporation;
- the Indenture relating to the Bonds;
- the Purchase Agreement relating to the Bonds;
- this Offering Circular; and
- a copy of the independent auditors' reports and our audited consolidated financial statements as of and for the years ended December 31, 2023, 2024 and 2025 and the independent auditors' review reports and our unaudited consolidated financial statements as of and for the six months ended June 30, 2025 and 2026.

For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that any of the Global Bonds is exchanged for individual definitive Bonds, the Company will appoint and maintain a paying agent in Singapore, where the Bonds may be presented or surrendered for payment or redemption. In addition, in the event that any of the Global Bonds is exchanged for individual definitive Bonds, announcement of such exchange will be made by the Company or on its behalf through the SGX-ST. Such announcement will include all material information with respect to the delivery of the individual definitive Bonds, including details of the paying agent in Singapore. For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Bonds, if traded on the SGX-ST, will be traded in a minimum board lot size of US$200,000.

APPENDIX A:

THE SECURITIES MARKETS OF THE ROC

The information presented in this section has been extracted from publicly available documents which have not been prepared or independently verified by us, the Initial Purchasers or any of our respective affiliates or advisors in connection with this Offering.

In September 1960, the ROC government established the ROC Securities and Exchange Commission to supervise and control all aspects of the existing domestic securities market and the TWSE began to take shape soon thereafter. In the 1970s and the early 1980s, the ROC government implemented a number of steps designed to upgrade the quality and importance of the ROC securities markets, such as encouraging listing on the TWSE and establishing an over-the-counter securities exchange. In the mid-1980s, the ROC government began to revise its laws and regulations in a manner designed to facilitate the gradual internationalization of the ROC securities markets. In 1997, the ROC Securities and Exchange Commission was renamed the ROC Securities and Futures Commission. Effective July 1, 2004, the ROC Securities and Futures Commission has been renamed the ROC Securities and Futures Bureau of the FSC, and its supervisory authority has been transferred from the Ministry of Finance to the FSC.

The Taiwan Stock Exchange

In 1961, the TWSE was established to provide a marketplace for securities trading. The TWSE is a corporation owned by government-controlled and privately owned banks and enterprises. The TWSE is independent of the entities transacting business through it, each of which pays to the TWSE a user's fee. Subject to limited exceptions, all transactions in listed securities by brokers, traders and integrated securities firms must be made through the TWSE.

The TWSE commenced operations in 1962. During the early 1980s, the ROC authority actively encouraged new listings on the TWSE and the number of listed companies has grown from 119 in 1983 to 1,063 as of December 31, 2025. As of June 30, 2026, the market capitalization of companies listed on the TWSE was approximately NT$150.5 trillion.

Historically, ROC companies have listed only shares and bonds on the TWSE. However, the ROC authority has encouraged companies to list other types of securities. In 1988, the Ministry of Finance permitted the issuance of ROC's first exchangeable bonds. Since 1989, there have been offerings of domestic convertible bonds and convertible preferred shares. In addition, beneficiary units evidencing beneficiary interests in closed-end investment funds and bonds issued by super-national financial institutions are also listed on the TWSE. The FSC also has promulgated regulations which permit foreign issuers to list certain securities on the TWSE.

The TWSE considers the following factors when evaluating a company for listing:

- the number and distribution of stockholders, including the diversification of such stockholders;
- length of time in business;
- amount of paid-in capital; and
- profitability.

However, special listing criteria apply to technology companies and key businesses that are engaged in the national economic development.

The following table shows for the periods indicated information relating to the TWSE.

Period	No. of Listed Companies at Period End	Stock Trading Values (in NT$ billions)	Index High	Index Low	Index at Period End
1996	382	12,907.6	6,982.81	4,690.22	6,933.94
1997	404	37,241.1	10,116.84	6,820.35	8,187.27
1998	437	29,619.0	9,277.09	6,251.38	6,418.43

Period	No. of Listed Companies at Period End	Stock Trading Values (in NT$ billions)	Index High	Index Low	Index at Period End
1999	462	29,291.5	8,608.91	5,474.79	8,448.84
2000	531	30,526.6	10,202.20	4,614.63	4,739.09
2001	584	18,354.9	6,104.24	3,446.26	5,551.24
2002	638	21,874.0	6,462.30	3,850.04	4,452.45
2003	669	20,333.2	6,142.32	4,139.50	5,890.69
2004	697	23,875.4	7,034.10	5,316.87	6,139.69
2005	691	18,818.9	6,575.53	5,632.97	6,548.34
2006	688	23,900.4	7,823.72	6,257.80	7,823.72
2007	698	33,043.8	9,809.88	7,344.56	8,506.28
2008	718	26,115.4	9,295.20	4,089.93	4,591.22
2009	741	29,680.5	8,188.11	4,242.61	8,188.11
2010	758	28,218.7	8,972.50	7,071.67	8,972.50
2011	790	26,197.4	9,145.35	6,633.33	7,072.08
2012	809	20,238.2	8,144.04	6,894.66	7,699.50
2013	838	18,940.9	8,623.43	7,616.64	8,611.51
2014	854	21,898.5	9,569.17	8,264.48	9,307.26
2015	874	20,191.5	9,973.12	7,410.34	8,338.06
2016	892	16,771.1	9,392.68	7,664.01	9,253.50
2017	907	23,972.2	10,854.57	9,272.88	10,642.86
2018	928	29,608.9	11,253.11	9,478.99	9,727.41
2019	942	26,464.6	12,122.45	9,382.51	11,997.14
2020	948	45,654.3	14,732.53	8,681.34	14,732.53
2021	959	92,290.0	18,248.28	14,902.03	18,218.84
2022	971	56,080.6	18,526.35	12,666.12	14,137.69
2023	997	63,170.2	17,930.81	14,199.13	17,930.81
2024	1,031	92,289.0	24,390.03	17,161.79	23,035.10
2025	1,063	93,259.3	28,963.32	17,391.76	28,963.60
2026 (through June 30, 2026) ..	1,079	118,922.9	41,741.51	29,349.81	46,125.91

Source: TWSE

Price limits, commissions, transaction tax and other matters

The TWSE has placed limits on block trading and on the range of daily price movements. According to the TWSE's block trading guidelines, transactions in one class of securities that involve 500 or more trading lots or trading amounts of NT$15 million or more, and transactions involving five or more different classes of securities and trading amounts of NT$15 million or more must be registered and executed in accordance with the guidelines. Fluctuations in the price of stock traded on the TWSE are currently subject to a restriction of 10% above and below the previous day's closing price (or reference price set by the TWSE if the previous day's closing price is not available or if other special circumstances occur). However, these restrictions have been modified from time to time by the FSC based on market conditions. Brokerage commission can be set at any rate of the transaction price, provided that any rate exceeding 0.1425% shall be reported to the TWSE and notified to the client in advance. A securities transaction tax, currently levied at 0.3% of the transaction price, is payable by the seller of equity securities. Such securities transaction taxes are withheld at the time of the transaction giving rise to such tax. Sales of shares of companies listed on the TWSE are currently sold in round lots of 1,000 shares. Investors who desire to sell less than 1,000 shares of a listed company occasionally experience delays in effecting such sales.

Upon the occurrence of any matter which may have a material impact on the shareholders' equity or the price of securities of a TWSE-listed company (e.g., merger), such company should apply to the TWSE, or the TWSE should request, for suspension of trading of its shares for one to three trading days (or a longer period if necessary).

Regulation and supervision

The FSC has extensive regulatory authority over public companies. Public companies are generally required to obtain the deemed approval from the FSC for all securities offerings. The FSC has promulgated regulations requiring, unless otherwise exempted, periodic reporting of financial and operating information by all public companies. In addition, the FSC establishes standards for financial reporting and carries out licensing and supervision of participants in the ROC securities market.

The FSC has responsibility for implementing ROC Securities and Exchange Act and for overall administration of governmental policies in the ROC securities market. It has extensive regulatory authority over the offering, issuance and trading of securities. In addition, ROC Securities and Exchange Act specifically empowers the ROC SFB to promulgate necessary rules. ROC Securities and Exchange Act prohibits market manipulation. For example, it permits a ROC public company to recover short-swing trading profits made through purchases and sales within six months by directors, managerial personnel, supervisors, as well as the spouses, minor children and nominees of these parties, and stockholders (together with their spouses, minor children and nominees) who hold more than 10% of the shares of the company. ROC Securities and Exchange Act prohibits trading by "insiders" based on non-public information that materially affects share price movement prior to publication of such information and within 18 hours after publication of such information. "Insiders" include:

- directors, supervisors, managers, as well as the spouses, minor children and nominees of these parties, and stockholders (together with their spouses, minor children and nominees) who hold more than 10% of a ROC public company's shares and any individual designated by a governmental or corporate director or supervisor to act on its behalf;

- any person who has learned material, non-public information due to an occupational or controlling relationship with a ROC public company;

- any person who has discharged from the status or position in the first and second bullet points for not more than six months; and

- any person who has learned material, non-public information from any of the above.

Sanctions include imprisonment. In addition, damages may be awarded to persons injured by the transaction. ROC Securities and Exchange Act also imposes criminal liability on certified public accountants and lawyers who make false certifications in their examination and audit of a company's contracts, reports and other documents related to securities transactions. The FSC regulations require that financial reports of listed companies be audited by accounting firms consisting of at least three certified public accountants and be signed by at least two certified public accountants.

The ROC FSC does not have criminal or civil enforcement powers under ROC Securities and Exchange Act. Criminal actions may be pursued only by government prosecutors. Civil actions may only be brought by plaintiffs who assert that they have suffered damages. The FSC is empowered to curb abuses and violations of laws and regulations only through administrative measures including:

- issuance of warnings;

- temporary suspension of operation;

- imposition of administrative fines; and

- revocation of licenses.

In addition to providing a market for securities trading, the TWSE reviews applications by ROC issuers to list securities on the TWSE. If issuers of listed securities violate laws and regulations or encounter significant difficulties, the TWSE may, with the approval of the FSC, delist the securities of these issuers.

APPENDIX B:

FOREIGN INVESTMENT AND EXCHANGE CONTROLS IN THE ROC

The information presented in this section has been extracted from publicly available documents which have not been prepared or independently verified by us, the Initial Purchasers or any of our respective affiliates or advisors in connection with this Offering.

Foreign Investment

Foreign investments in ROC securities markets were once restricted. Since 1983, the ROC government has adopted, enacted and amended laws and regulations to enable investment in ROC securities markets by overseas Chinese, foreign nationals, and PRC nationals. Currently, the Regulations Governing Investment in Securities by Overseas Chinese and Foreign Nationals (the "**Securities Investment Regulations for Foreign Investors**"), announced on May 26, 1983 and last amended on February 11, 2014, and the Regulations Governing Securities Investment and Futures Trading in Taiwan by Mainland Area Investors (the "**Securities Investment Regulations for PRC Nationals**"), announced on April 30, 2009 and last amended on October 6, 2010, are the two major regulations governing foreign investment in ROC securities (the "**Regulations**"). Foreign investors who are not PRC nationals shall follow the Securities Investment Regulations for Foreign Investors for their respective investment in ROC securities.

Under the Securities Investment Regulations for Foreign Investors, investors are classified into "Offshore General Foreign Investors," "Onshore General Foreign Investors," "Offshore Foreign Institutional Investors" and "Onshore Foreign Institutional Investors," based upon whether they are institutional investors or natural persons, and whether they reside in the ROC ("**Offshore General Foreign Investors**" and "**Offshore Foreign Institutional Investors**", hereafter "**Offshore Investor**"; "**Onshore General Foreign Investors**" and "**Onshore Foreign Institutional Investors**", hereafter "**Onshore Investor**"). Foreign investors are required to register with the TWSE to trade securities listed on TWSE, and the TWSE may withdraw or rescind the registration if the application documents submitted by foreign investors are untrue or incomplete, or if any material violation of the relevant regulations exists. Offshore investors are required to appoint their local agent or nominee to act on their behalf in Taiwan.

An Offshore Investor may only invest in ROC securities as permitted by the FSC such as shares, certificates of bond conversion entitlement, and Taiwan Depositary Receipts publicly or privately offered by TWSE-listed, TPEx-listed or emerging market-listed companies, beneficiary certificates issued by securities investment trusts, government bonds, bank debentures, corporate bonds, convertible bonds, bonds with warrant, beneficiary securities or asset-backed securities issued by the special purpose trust or special purpose vehicle, warrants, private placement of securities investment trust funds by securities investment trust enterprises. The FSC may set a cap for the total investment amount of offshore investors, after consulting with the CBC; provided that the FSC lifted such cap in 2008.

In the past, PRC persons were prohibited from investing, whether directly or indirectly, in ROC securities. The Securities Investment Regulations for PRC Nationals promulgated in April 2009 (as amended in October 2010) allow PRC nationals and institutional investors to make investment in certain ROC securities, if they are qualified for any of the following categories: (i) qualified domestic institutional investors meeting the qualifications required under the laws of the PRC and approved by the PRC government ("**QDII**"); (ii) PRC residents who are employees of a TWSE-listed or TPEx listed company and thereupon granted securities; (iii) companies incorporated under the laws of PRC or PRC residents who are the stockholders of a foreign company whose shares or depositary receipts are listed and traded on the TWSE or TPEx; or (iv) other categories as permitted by the competent authority. Subject to the requirements and restrictions set forth below, a PRC investor may invest in TWSE-listed or TPEx-listed securities, beneficiary certificates issued by securities investment trusts or future trust funds, government bonds, bank debentures, corporate bonds issued by public companies, beneficiary securities or asset-backed securities issued in accordance with the Financial Asset Securitization Act or the Real Estate Securitization Act, warrants and other securities as permitted by the FSC.

- PRC investors are required to appoint their agent or nominee in Taiwan for opening a securities trading account.
- PRC investors are required to appoint a custodian permitted by the competent authority to handle the custody of funds and certificates related to securities.

- In exercising the voting rights of the shares of a TWSE-listed or TPEx-listed company, unless otherwise permitted by laws and regulations, PRC investors may not substantially control or effect the operation and management of the company.

- The amount of investment remittance for each QDII is capped at US$100 million, and the total amount remitted into Taiwan by all QDIIs shall not exceed US$500 million.

- QDIIs are currently prohibited from investing in certain industries, and their investment of certain other industries in a given company is restricted to a certain percentage pursuant to a list promulgated by the FSC and amended from time to time.

- The PRC investor may not exceed the PRC ownership limit imposed by the Taiwan competent authority.

Depositary receipts

In April 1992, the ROC Securities and Futures Commission (later reformed and known as the Securities and Futures Bureau of the FSC) enacted regulations permitting ROC companies with securities listed on the TWSE, with the prior approval of the FSC, to sponsor the issue and sale to foreign investors of depositary receipts. Depositary receipts represent deposited shares of ROC companies. In December 1994, the ROC Ministry of Finance allowed companies whose shares are traded on the Taipei Exchange (the "**TPEx**") or listed on the TWSE, upon approval of the FSC, to sponsor the issue and sale of depositary receipts.

After depositary receipts are issued initially by a foreign depositary, a holder of depositary receipts may request the foreign depositary to cause the underlying shares (1) to be sold in the ROC, with the proceeds from that sale distributed to the depositary receipt holder after deducting tax payments and relevant costs and expenses, or (2) to be withdrawn from the depositary receipt facility and transferred to the depositary receipt holder.

Currently, a holder of depositary receipts who is a PRC person may not withdraw the underlying shares from the depositary receipt facility and hold shares unless it is a QDII and complies with all qualifications and requirements under the Regulations Governing Securities Investment and Futures Trading in Taiwan by Mainland Area Investors and other applicable regulations or otherwise obtains the approval of the MOEA. However, QDIIs are currently prohibited from investing in certain industries, and their investment in a given company is restricted to a certain percentage promulgated by the competent authorities and amended from time to time. Further, there is no assurance that, in the future, there will not be further restrictions or prohibitions imposed on PRC persons (including QDIIs) from investing in certain industries in the ROC, which might accordingly cause a holder of global depositary shares who is a PRC Person to be unable to withdraw and hold the underlying shares. Accordingly, the qualification criteria for a PRC person to make investment, the restrictions on investment in certain industries and the investment threshold imposed by the FSC might accordingly cause a holder of depositary shares who is a PRC person to be unable to withdraw and hold the underlying shares.

Under existing laws and regulations relating to foreign exchange control, a depositary may, without obtaining further approvals from the CBC or any other governmental authority or agency of the ROC, convert NT Dollars into other currencies, including US dollars, in respect of the following: proceeds of the sale of shares represented by depositary receipts, proceeds of the sale of shares received as stock dividends which have been deposited into the depositary receipt facility and any cash dividends or cash distributions received. In addition, a depositary, also without any of these approvals, may convert inward remittances of payments into NT Dollars for purchases of underlying shares for deposit into the depositary receipt facility against the creation of additional depositary receipts. However, a depositary may be required to obtain foreign exchange approval from the CBC on a payment-by-payment basis for conversion from NT Dollars into other currencies relating to the sale of subscription rights for new shares if the proceeds are in excess of US$100,000 per remittance.

Proceeds from sale of the underlying shares withdrawn from the depositary receipt facility may be used for reinvestment in the TWSE, the TPEx, or stock of emerging market companies, subject to relevant regulations.

According to the Securities Investment Regulations for Foreign Investors, a non-resident foreign withdrawing holder of depositary receipts, when withdrawing the underlying shares from depositary receipts facilities of a company listed on the TWSE or TPEx, will be required to register with the TWSE, and to appoint a local agent which is a local securities firm or financial institution (with such qualifications provided by the FSC) to open a securities trading account with a local brokerage firm and an NT dollar bank account, pay ROC taxes, remit funds, exercise rights relating to the securities and perform such other matters as may be designated by such

withdrawing holder of depositary receipts on behalf of and as an agent for such withdrawing holder of depositary receipts.

The withdrawing holder of depositary receipts is also required to appoint a local bank or securities firm to act as the custodian to hold the securities and any cash proceeds in safekeeping, to make confirmation to settle trades, and to report all relevant information. Additionally, such withdrawing holder of depositary receipts is required to appoint a tax guarantor for filing tax returns and making tax payments. Without satisfying the above requirements, the withdrawing holder of depositary receipts would not be able to hold and subsequently sell or otherwise transfer the underlying shares withdrawn from the depositary receipt facility on the TWSE or otherwise.

Overseas corporate bonds

Since 1989, the ROC Securities and Futures Commission has approved a series of overseas bonds issued by ROC companies listed on the TWSE in offerings outside the ROC. Under current ROC law and subject to the FSC approval, overseas corporate bonds can be (i) exchanged or converted by bondholders, other than persons of the PRC except for QDIIs, into shares of ROC companies; or (ii) converted into or exchanged for depositary receipts issued by the same ROC company or by the issuing company of the exchange shares, in the case of exchangeable bonds. The relevant regulations also permit ROC companies attaining public company status to issue corporate bonds in offerings outside the ROC. Proceeds from the sale of the shares converted from overseas convertible bonds may be used for reinvestment in securities listed on the TWSE or traded on the TPEx, subject to limitations and restrictions set for in "Foreign Investment" section above (as applicable).

According to the Securities Investment Regulations for Foreign Investors, a non-resident foreign converting bondholder, when exercising the conversion right to convert bonds into shares of a ROC company, will be required to register with the TWSE, and to appoint a local agent (with such qualifications provided by the FSC) to open a securities trading account with a local brokerage firm, pay ROC taxes, remit funds, exercise stockholders' rights and perform such other matters as may be designated by such converting bondholder on behalf of and as agent for such converting bondholder. The converting holder is also required to appoint a custodian bank to hold the securities and any cash proceeds in safekeeping, to make confirmation to settle trades, and to report all relevant information. Additionally, such converting holder is required to appoint a tax guarantor for filing tax returns and making tax payments.

According to the Securities Investment Regulations for PRC Nationals, a PRC holder of overseas convertible bonds issued by a ROC company may not convert or exchange such convertible into shares unless it is a QDII and complies with all qualifications and requirements under the Regulations Governing Securities Investment and Futures Trading in Taiwan by Mainland Area Investors and other applicable regulations or otherwise obtains the approval of the MOEA.

Unless otherwise limited by the CBC, a ROC company may, without obtaining further approval from the CBC or any other government authority of the ROC, convert NT Dollars to other non-ROC currencies, including US dollars, for making payments in respect of proceeds of the redemption of the bonds or repayment of principal of and interest on the bonds. A non-ROC converting bondholder may, through its local agent and without obtaining prior approval from the CBC, convert into foreign currencies net proceeds realized from the sale of certificates of bond conversion entitlement, shares or any stock dividends relating to such shares, or any cash dividend or other cash distribution in respect of such shares, as well as inward remittance of subscription payments in respect of rights offerings. However, a converting bondholder must obtain prior approval from the CBC on a payment-by-payment basis for conversion from NT Dollars into other currencies in respect of the proceeds from the sale of subscription rights for newly issued Shares.

Other Foreign Investment

In addition to investments permitted under the Regulations, foreign investors (other than PRC investors) who wish to make direct investments in the shares of ROC companies or purchase 10% or more shares in a TWSE or TPEx listed company in any single investment are required to submit an application to the DIR or other government authority. The DIR or such other government authority reviews each application and approves or disapproves each application after consultation with other governmental agencies (such as the CBC and the FSC). As for the PRC persons, any PRC persons who wish to make direct or indirect investments in ROC companies that engage in certain business permissible on the positive list (the "**Positive List**") promulgated by the DIR are also required to submit an application to the DIR, and are subject to strict review of the DIR after consultation with other governmental agencies.

Under current law, any non-ROC person possessing a DIR approval may remit capital for the approved investment and is entitled to repatriate annual net profits, interest and cash dividends attributable to such investment. Stock dividends attributable to such investment, investment capital and capital gains attributable to such investment may be repatriated after approvals of the DIR or other authorities have been obtained.

In addition to the general restriction against investment by non-ROC persons in ROC securities markets, non-ROC persons (other than PRC persons), subject to certain limited exceptions, are currently prohibited from investing in certain industries in the ROC pursuant to a Negative List for Investment by Overseas Chinese and Foreign Nationals (the "**Negative List**"), as amended by the Executive Yuan. The prohibition on foreign investment in the prohibited industries specified in the Negative List is absolute in the absence of specific exemption from the application of the Negative List. Pursuant to the Negative List, certain other industries are restricted so that non-ROC persons (except in certain limited cases) may invest in such industries only up to a specified level and with the specific approval of the relevant competent authority which is responsible for enforcing the relevant legislation which the Negative List is intended to implement. PRC persons may only invest in ROC companies if the business of the target falls with the Positive List promulgated by DIR and DIR approval is obtained.

Exchange controls

The Foreign Exchange Control Act and regulations provide that all foreign exchange transactions must be executed by banks designated to handle such business by the FSC and by the CBC. Current regulations favor trade-related foreign exchange transactions and Foreign Investment Approval investments.

Consequently, foreign currency earned from exports of merchandise and services may now be retained and used freely by exporters, and all foreign currency needed for the importation of merchandise and services may be purchased freely from the designed foreign exchange banks.

Trade aside, ROC companies and resident individuals may, without foreign exchange approval, remit into or outside the ROC foreign currency of up to US$100 million (or its equivalent) and US$10 million (or its equivalent) respectively in each calendar year. Notwithstanding the above, CBC may, depending on the ROC's economic and financial situation or the need to maintain the order of the foreign exchange market in the ROC, require that certain conversions exceeding a certain amount per year should be subject to the foreign exchange approval from the CBC. The above limits apply to remittances involving a conversion of NT Dollars to a foreign currency and vice versa. A requirement is also imposed on all enterprises to register medium-and long-term foreign debt with the CBC.

In addition, foreign persons may, subject to certain requirements including filing declaration and supporting documents, without foreign exchange approval of the CBC, remit outside and/or into the ROC foreign currencies of up to US$100,000 (or its equivalent) for each remittance. The above limit applies to remittances involving a conversion of NT Dollars to a foreign currency and vice versa.

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Consolidated Financial Statements of ASUSTeK Computer Inc. and Subsidiaries[1]

Consolidated Interim Financial Statements as of and for the Six Months Ended June 30, 2025 and 2026 and Independent Auditors' Review Report

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Consolidated Statements of Comprehensive Income for the Three Months and Six Months Ended June 30, 2025 and 2026 ..... F-9

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[1] The audited consolidated financial statements and unaudited consolidated financial statements set out herein have been reproduced from our audited consolidated financial statements as of and for the years ended December 31, 2024 and 2025 and for the years ended December 31, 2023 and 2024 and our unaudited consolidated interim financial statements as of and for the six months ended June 30, 2025 and 2026. Page references are referred to pages set forth in the relevant audited consolidated financial statements and unaudited consolidated interim financial statements. The audited consolidated financial statements and unaudited consolidated interim financial statements have not been specifically prepared for inclusion in this Offering Circular.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report Thereon

June 30, 2026 and 2025

(Stock Code: 2357)

Address: No.15, Li-Te Rd., Peitou, Taipei, Taiwan, R.O.C.

Telephone: 886-2-2894-3447

For the convenience of readers and for information purpose only, the auditors' review report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

pwc 資誠

Independent Auditors' Review Report

To the Board of Directors and Shareholders of

ASUSTEK COMPUTER INC.:

Introduction

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

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, Review of Financial Information Performed by the Independent Auditor of the Entity of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons

responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As explained in Note 4(3), the accompanying consolidated financial statements included certain nonsignificant consolidated subsidiaries and investments accounted for under equity method. Total assets of these subsidiaries amounted to $123,357,196 thousand and $80,573,334 thousand (including investments accounted for under equity method amounting to $5,368,445 thousand and $4,159,900 thousand), constituting 14.20% and 14.17% of consolidated total assets as of June 30, 2026 and 2025, respectively, total liabilities amounting to $33,190,783 thousand and $24,046,642 thousand, constituting 6.16% and 8.02% of consolidated total liabilities as of June 30, 2026 and 2025, respectively, and total comprehensive income amounting to $5,794,098 thousand and ($828,814) thousand, $7,179,763 thousand and $2,004,818 thousand, constituting 12.31%, 5.39%, 10.61% and (93.11%) of consolidated total comprehensive income for the three months ended June 30, 2026 and 2025, and for the six months ended June 30, 2026 and 2025, respectively. These amounts and the related information disclosed in the accompanying consolidated financial statements were based on the unreviewed financial statements of consolidated subsidiaries and investments accounted for under equity method.

Qualified Conclusion

Based on our reviews and the reports of other independent auditors (please refer to other matter), except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain nonsignificant consolidated subsidiaries and investments accounted for under equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2026 and 2025, and of its consolidated financial performance for the three months ended June 30, 2026 and 2025, and for the six months ended June 30, 2026 and 2025 and its consolidated cash flows for the six months ended June 30, 2026 and 2025, in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, Interim Financial Reporting that came into effect as endorsed by the Financial Supervisory Commission.

Other Matter – Reference to the reviews of other independent auditors

We did not review the financial statements of certain investments accounted for under equity method. Those financial statements were reviewed by other independent auditors whose reports thereon have been furnished to us and our conclusion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and information disclosed relative to these investments, is based solely on the reports of other independent auditors. These investments accounted for under equity method amounted to $4,499,651 thousand and $4,358,321 thousand, constituting 0.52% and 0.77% of consolidated total assets as of June 30, 2026 and 2025, respectively, and total comprehensive income amounted to $163,913 thousand, ($74,673) thousand, $189,995

thousand and ($47,594) thousand, constituting 0.35%, 0.49%, 0.28% and 2.21% of consolidated total comprehensive income for the three months ended June 30, 2026 and 2025, and for the six months ended June 30, 2026 and 2025, respectively.

Chang, Shu-Chiung　　Hsu, Sheng-Chung

For and on Behalf of PricewaterhouseCoopers, Taiwan

August 12, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS	NOTES	JUNE 30, 2026 AMOUNT	%	DECEMBER 31, 2025 AMOUNT	%	JUNE 30, 2025 AMOUNT	%
Current assets							
Cash and cash equivalents	6(1)	$ 86,156,490	10	$ 90,078,729	14	$ 93,006,825	16
Financial assets at fair value through profit or loss – current	6(2) and 8	1,229,943	-	841,631	-	1,329,349	-
Financial assets at fair value through other comprehensive income – current	6(3)	2,360,979	-	1,598,265	-	533,125	-
Financial assets at amortized cost – current	6(4) and 8	2,720,513	-	6,674,054	1	6,544,877	1
Derivative financial assets for hedging – current	6(5)	646,413	-	67,310	-	13,906	-
Notes receivable	6(6)	15,687,070	2	5,462,514	1	11,579,415	2
Trade receivables	6(6)(7)(8) and 7	163,671,053	19	133,864,332	21	115,055,060	20
Other receivables	7	3,997,307	1	1,130,391	-	4,168,404	1
Inventories	6(9)	356,328,604	41	197,642,474	32	150,232,812	27
Prepayments		20,781,342	2	15,739,194	3	14,481,748	3
Other current assets	8	647,562	-	734,911	-	499,999	-
Total current assets		654,227,276	75	453,833,805	72	397,445,520	70
Non-current assets							
Financial assets at fair value through profit or loss – non-current	6(2)	2,059,282	-	1,739,625	-	664,611	-
Financial assets at fair value through other comprehensive income – non-current	6(3)	104,990,322	12	71,476,968	11	78,969,392	14
Financial assets at amortized cost – non-current	6(4) and 8	143,004	-	141,540	-	2,013,927	-
Investments accounted for under equity method	6(10)	31,603,586	4	30,891,601	5	25,141,244	4
Property, plant and equipment	6(11) and 8	21,227,956	2	21,358,916	3	20,401,585	4
Right-of-use assets	6(12)	2,104,957	-	2,177,190	-	1,970,669	-
Investment property		9,004,752	1	8,897,562	2	8,254,756	2
Intangible assets	6(13)	13,085,387	2	13,282,961	2	12,626,688	2
Deferred income tax assets		25,202,960	3	23,390,110	4	17,612,444	3
Other non-current assets	8 and 9	4,892,475	1	4,466,441	1	3,512,052	1
Total non-current assets		214,314,681	25	177,822,914	28	171,167,368	30
TOTAL ASSETS		$ 868,541,957	100	$ 631,656,719	100	$ 568,612,888	100

(Continued)

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2026, DECEMBER 31, 2025 AND JUNE 30, 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

LIABILITIES AND EQUITY	NOTES	JUNE 30, 2026 AMOUNT	%	DECEMBER 31, 2025 AMOUNT	%	JUNE 30, 2025 AMOUNT	%
Current liabilities							
Short-term borrowings	6(14)(30) and 8	$ 100,741,692	11	$ 29,681,710	5	$ 21,508,776	4
Financial liabilities at fair value through profit or loss – current	6(2)	172,522	-	404,581	-	853,682	-
Derivative financial liabilities for hedging – current	6(5)	12,573	-	166,431	-	1,148,293	-
Contract liabilities – current	6(23)	4,819,033	1	5,474,941	1	2,810,961	1
Notes and trade payables	6(8) and 7	206,409,257	24	119,583,720	19	96,077,903	17
Other payables – accrued expenses	7	51,095,755	6	51,792,676	8	42,386,001	7
Dividends payable	7	33,665,006	4	-	-	27,268,171	5
Current income tax liabilities		23,589,551	3	19,297,179	3	11,954,531	2
Provisions for liabilities – current	6(17) and 9	36,830,211	4	34,580,419	6	30,961,080	5
Lease liabilities – current	6(30)	561,795	-	505,387	-	448,501	-
Current portion of long-term borrowings	6(15)(30) and 8	75,046	-	72,907	-	85,300	-
Refund liabilities – current	6(18)	46,937,802	5	39,740,284	6	33,937,553	6
Other current liabilities	7	6,197,221	1	6,046,748	1	4,248,010	1
Total current liabilities		511,107,464	59	307,346,983	49	273,688,762	48
Non-current liabilities							
Contract liabilities – non-current	6(23)	2,075,878	-	1,843,581	1	1,401,830	1
Long-term borrowings	6(15)(30) and 8	267,661	-	293,123	-	328,558	-
Deferred income tax liabilities		22,437,669	3	21,752,011	3	22,116,520	4
Lease liabilities – non-current	6(30)	1,077,270	-	1,216,377	-	1,103,038	-
Other non-current liabilities	6(16)	1,590,328	-	1,641,447	-	1,242,466	-
Total non-current liabilities		27,448,806	3	26,746,539	4	26,192,412	5
Total liabilities		538,556,270	62	334,093,522	53	299,881,174	53
Equity attributable to shareholders of the parent							
Share capital – common shares	6(19)	7,427,603	1	7,427,603	1	7,427,603	1
Capital surplus	6(20)	16,823,343	2	17,376,367	3	16,822,516	3
Retained earnings	6(21)						
Legal reserve		54,693,808	6	50,230,919	8	50,230,919	9
Special reserve		693,928	-	693,928	-	693,928	-
Unappropriated retained earnings		144,265,087	17	151,079,055	24	129,018,826	23
Other equity interest	6(3)(5)(22)	77,453,680	9	41,489,046	6	39,996,233	7
Total equity attributable to shareholders of the parent		301,357,449	35	268,296,918	42	244,190,025	43
Non-controlling interests		28,628,238	3	29,266,279	5	24,541,689	4
Total equity		329,985,687	38	297,563,197	47	268,731,714	47
TOTAL LIABILITIES AND EQUITY		$ 868,541,957	100	$ 631,656,719	100	$ 568,612,888	100

The accompanying notes are an integral part of these consolidated financial statements.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE IN NEW TAIWAN DOLLARS)

ITEMS	NOTES	THREE MONTHS ENDED JUNE 30				SIX MONTHS ENDED JUNE 30			
		2026		2025		2026		2025	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Operating revenue	6(23) and 7	$ 257,731,987	100	$ 188,006,262	100	$ 466,101,713	100	$ 335,699,473	100
Operating (costs)	6(9)(11)(12)(13)(16)(17)(26)(27), 7 and 9	(213,488,465)	(83)	(162,040,469)	(86)	(390,887,653)	(84)	(285,130,555)	(85)
Gross profit		44,243,522	17	25,965,793	14	75,214,060	16	50,568,918	15
Unrealized (gain) loss from sales		(630)	-	(3,144)	-	(2,073)	-	(6,403)	-
Gross profit		44,242,892	17	25,962,649	14	75,211,987	16	50,562,515	15
Operating (expenses)	6(11)(12)(13)(16)(17)(26)(27), 7 and 9								
Selling (expenses)		(11,365,596)	(5)	(9,296,788)	(5)	(20,353,911)	(4)	(18,473,535)	(6)
General and administrative (expenses)		(3,519,705)	(1)	(2,681,991)	(2)	(6,496,142)	(2)	(5,512,385)	(2)
Research and development (expenses)		(8,348,738)	(3)	(5,695,143)	(3)	(15,112,492)	(3)	(11,251,855)	(3)
Expected credit impairment (losses) gains	12(2)	(35,049)	-	(453,710)	-	(379,779)	-	5,089,834	2
Total operating (expenses)		(23,269,088)	(9)	(18,127,632)	(10)	(42,342,324)	(9)	(30,147,941)	(9)
Operating profit (loss)		20,973,804	8	7,835,017	4	32,869,663	7	20,414,574	6
Non-operating income and (expenses)									
Interest income	6(3)(4)	908,079	-	1,133,397	1	1,659,991	-	2,142,664	1
Other income	6(3)(24)	1,924,920	1	2,120,969	1	2,005,395	1	2,192,745	1
Other gains (losses)	6(2)(4)(5)(11)(12)(25)	1,263,308	-	266,345	-	1,411,498	-	2,070,437	-
Finance (costs)	6(12)	(473,577)	-	(213,894)	-	(755,670)	-	(433,173)	-
Share of profit (loss) of associates and joint ventures accounted for under equity method	6(10)	1,660,688	1	892,321	-	2,925,953	1	1,990,735	-
Total non-operating income and (expenses)		5,283,418	2	4,199,138	2	7,247,167	2	7,963,408	2
Profit (Loss) before income tax		26,257,222	10	12,034,155	6	40,116,830	9	28,377,982	8
Income tax (expenses) benefit	6(28)	(5,919,765)	(2)	(1,582,804)	(1)	(8,622,569)	(2)	(4,268,319)	(1)
Profit (Loss) for the period		$ 20,337,457	8	$ 10,451,351	5	$ 31,494,261	7	$ 24,109,663	7
Other comprehensive income (loss)									
Items that will not be reclassified to profit or (loss)									
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(22)	$ 26,971,244	10	($ 6,991,422)	(4)	$ 33,577,991	7	($ 8,028,904)	(2)
Gains (losses) on hedging instrument that will not be reclassified to profit or loss	6(5)(22)	-	-	(801,713)	-	-	-	(801,713)	-
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(10)(22)	416,921	-	117,975	-	532,257	-	(119,060)	-
Income tax (expense) benefit relating to items that will not be reclassified to profit or loss	6(22)(28)	(325,689)	-	1,701	-	(304,269)	-	61,093	-
Items that will be reclassified to profit or (loss)									
Financial statements translation differences of foreign operations	6(22)	(316,555)	-	(15,595,998)	(8)	2,414,900	1	(13,232,218)	(4)
Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	6(3)(22)	(2,519)	-	15,939	-	(58,883)	-	70,629	-
Gains (losses) on hedging instrument	6(5)(22)	(23,363)	-	(529,016)	-	732,961	-	(1,974,098)	(1)
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(10)(22)	(64,563)	-	(5,090,850)	(3)	(273,406)	-	(4,799,973)	(2)
Income tax (expense) benefit relating to items that will be reclassified to profit or loss	6(22)(28)	62,634	-	3,032,208	2	(458,591)	-	2,561,523	1
Other comprehensive income (loss) for the period		$ 26,718,110	10	($ 25,841,176)	(13)	$ 36,162,960	8	($ 26,262,721)	(8)
Total comprehensive income (loss) for the period		$ 47,055,567	18	($ 15,389,825)	(8)	$ 67,657,221	15	($ 2,153,058)	(1)
Profit (loss) attributable to:									
Shareholders of the parent		$ 19,047,836	7	$ 9,805,690	5	$ 28,844,853	6	$ 22,596,287	7
Non-controlling interests		1,289,621	1	645,661	-	2,649,408	1	1,513,376	-
		$ 20,337,457	8	$ 10,451,351	5	$ 31,494,261	7	$ 24,109,663	7
Total comprehensive income (loss) attributable to:									
Shareholders of the parent		$ 45,523,234	18	($ 12,833,300)	(7)	$ 64,809,487	14	($ 476,202)	-
Non-controlling interests		1,532,333	-	(2,556,525)	(1)	2,847,734	1	(1,676,856)	(1)
		$ 47,055,567	18	($ 15,389,825)	(8)	$ 67,657,221	15	($ 2,153,058)	(1)
Earnings (loss) per share:									
Basic earnings (loss) per share	6(29)	$ 25.64		$ 13.20		$ 38.83		$ 30.42	
Diluted earnings (loss) per share	6(29)	$ 25.55		$ 13.16		$ 38.57		$ 30.27	

The accompanying notes are an integral part of these consolidated financial statements.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Equity attributable to owners of the parent											
			Retained Earnings			Other Equity Interest						
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Remeasurements of defined benefit plan	Total	Non-controlling interests	Total equity
Six months ended June 30, 2026												
Balance at January 1, 2026	$ 7,427,603	$ 17,376,367	$ 50,230,919	$ 693,928	$ 151,079,055	$ 1,669,551	$ 40,061,332	($ 183,066)	($ 58,771)	$ 268,296,918	$ 29,266,279	$ 297,563,197
Appropriations of 2025 earnings (Note 6(21))												
Legal reserve	-	-	4,462,889	-	(4,462,889)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(31,195,932)	-	-	-	-	(31,195,932)	-	(31,195,932)
Profit for the period	-	-	-	-	28,844,853	-	-	-	-	28,844,853	2,649,408	31,494,261
Other comprehensive income (loss) for the period	-	-	-	-	-	1,796,371	33,436,514	732,961	(1,212)	35,964,634	198,326	36,162,960
Change in associates and joint ventures accounted for under equity method	-	(351,829)	-	-	-	-	-	-	-	(351,829)	-	(351,829)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	27	-	-	-	-	-	-	-	27	-	27
Recognition of changes in ownership interest in subsidiaries	-	(201,222)	-	-	-	-	-	-	-	(201,222)	-	(201,222)
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	(3,485,775)	(3,485,775)
Balance at June 30, 2026	$ 7,427,603	$ 16,823,343	$ 54,693,808	$ 693,928	$ 144,265,087	$ 3,465,922	$ 73,497,846	$ 549,895	($ 59,983)	$ 301,357,449	$ 28,628,238	$ 329,985,687
Six months ended June 30, 2025												
Balance at January 1, 2025	$ 7,427,603	$ 16,783,484	$ 47,046,433	$ 693,928	$ 134,888,504	$ 5,155,882	$ 56,823,384	$ 755,766	($ 35,340)	$ 269,539,644	$ 27,657,874	$ 297,197,518
Appropriations of 2024 earnings (Note 6(21))												
Legal reserve	-	-	3,184,486	-	(3,184,486)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(25,253,849)	-	-	-	-	(25,253,849)	-	(25,253,849)
Profit for the period	-	-	-	-	22,596,287	-	-	-	-	22,596,287	1,513,376	24,109,663
Other comprehensive income (loss) for the period	-	-	-	-	-	(12,719,794)	(8,037,197)	(2,315,498)	-	(23,072,489)	(3,190,232)	(26,262,721)
Change in associates and joint ventures accounted for under equity method	-	32,538	-	-	-	-	-	-	-	32,538	-	32,538
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(228)	-	-	-	-	-	-	-	(228)	-	(228)
Recognition of changes in ownership interest in subsidiaries	-	6,552	-	-	-	-	-	-	-	6,552	-	6,552
Reclassification of cost of non-financial assets	-	-	-	-	-	-	-	341,400	-	341,400	460,313	801,713
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,899,642)	(1,899,642)
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	(27,630)	-	27,630	-	-	-	-	-
Reorganization	-	170	-	-	-	-	-	-	-	170	-	170
Balance at June 30, 2025	$ 7,427,603	$ 16,822,516	$ 50,230,919	$ 693,928	$ 129,018,826	($ 7,563,912)	$ 48,813,817	($ 1,218,332)	($ 35,340)	$ 244,190,025	$ 24,541,689	$ 268,731,714

The accompanying notes are an integral part of these consolidated financial statements.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

SIX MONTHS ENDED JUNE 30, 2026 AND 2025

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	SIX MONTHS ENDED	
	JUNE 30, 2026	JUNE 30, 2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	$ 40,116,830	$ 28,377,982
Income and expense that result in non-cash flows		
Depreciation (including investment property and right-of-use assets)	1,197,342	1,148,198
Amortization	580,741	368,512
Expected credit impairment (gains) losses	379,779	(5,089,834)
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(739,054)	2,546,288
Share of profit of associates and joint ventures accounted for under equity method	(2,925,953)	(1,990,735)
Interest income	(1,659,991)	(2,142,664)
Dividend income	(1,865,261)	(2,075,447)
Interest expense	755,670	433,173
Others	77,321	54,393
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	887,658	2,075,265
Notes receivable	(10,233,807)	(3,664,991)
Trade receivables	(30,099,701)	(10,325,654)
Other receivables	483,892	347,632
Inventories	(158,615,214)	2,796,409
Prepayments	(4,267,233)	633,260
Other current assets	105,599	(129,081)
Financial liabilities at fair value through profit or loss	(1,112,283)	(2,461,373)
Contract liabilities	(425,535)	515,791
Notes and trade payables	86,784,157	22,033,129
Other payables - accrued expenses	(938,808)	(1,851,640)
Provisions for liabilities	2,271,699	(2,494,705)
Refund liabilities	7,197,518	(2,218,640)
Other current liabilities	63,931	(1,185,585)
Other operating liabilities	146,192	(24,831)
Receipt of interest	1,671,011	2,180,346
Payment of interest	(646,164)	(490,045)
Payment of income tax	(6,522,571)	(2,920,863)
Net cash flows provided by (used in) operating activities	(77,332,235)	24,444,290
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(1,501,197)	(69,218)
Proceeds from disposal of financial assets at fair value through other comprehensive income	852,697	28,275
Acquisition of financial assets at amortized cost	(185,502)	(606,370)
Proceeds from disposal of financial assets at amortized cost	4,235,878	2,013,964
Acquisition of property, plant and equipment	(667,428)	(722,412)
Acquisition of intangible assets	(330,870)	(355,272)
Changes in other non-current assets	(647,331)	(1,084,442)
Net cash flows from acquisition of subsidiaries (net of cash acquired)	(82,071)	(10,167,633)
Dividends received	45,453	616,319
Others	(35,360)	(65,417)
Net cash flows provided by (used in) investing activities	1,684,269	(10,412,206)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	70,970,342	(3,042,823)
Repayments of long-term borrowings	(38,788)	(47,784)
Redemption of lease liabilities	(286,943)	(352,553)
Increase (decrease) in deposits received	(93,586)	(158,480)
Changes in non-controlling interests	(750,345)	-
Others	12,477	1,766
Net cash flows provided by (used in) financing activities	69,813,157	(3,599,874)
Effects due to changes in exchange rate	1,912,570	(11,463,377)
Net increase (decrease) in cash and cash equivalents	(3,922,239)	(1,031,167)
Cash and cash equivalents at beginning of period	90,078,729	94,037,992
Cash and cash equivalents at end of period	$ 86,156,490	$ 93,006,825

The accompanying notes are an integral part of these consolidated financial statements.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. **HISTORY AND ORGANIZATION**

(1) ASUSTEK COMPUTER INC. (ASUS or the Company) was established in the Republic of China (R.O.C.). The Company is primarily engaged in the design, R&D and sales of 3C products (including PCs, main boards, other boards and cards, smart phones and other handheld devices, etc.).

(2) The Company resolved to spin-off its OEM businesses on January 1, 2008. Pursuant to the Company's resolution, the Company transferred its computer OEM, design and manufacture of computer cases and molds and non-computer OEM businesses to its spun-off subsidiaries, PEGATRON CORPORATION (PEGATRON) and UNIHAN CORPORATION, respectively. On June 1, 2010, however, the Company transferred further its OEM assets and business (the Company's investments accounted for under equity method in PEGATRON) to the Company's another investee, PEGATRON INTERNATIONAL INVESTMENT CO. LTD. (PII). PII issued new shares to the Company and its shareholders as consideration. On April 29, 2013, the Company disposed the partial shares of PEGATRON and reduced the ownership percentage to less than 20%.

2. **THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION**

These consolidated financial statements were authorized for issuance by the Board of Directors and issued on August 12, 2026.

3. **APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS**

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

These amendments require an entity to update the disclosures for equity instruments designated at fair value through other comprehensive income. The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognized during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognized during that reporting period.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2027 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note 1)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Amendments to IAS 21, 'Translation to a hyperinflationary presentation currency'	January 1, 2027
Amendments to IAS 28, 'Amendments to the fair value option in IAS 28 investments in associates and joint ventures'	January 1, 2027 (Note 2)

Note 1：The entities shall apply IFRS 18 starting from January 1, 2028. Additionally, entities can choose to adopt IFRS 18 earlier.

Note 2：The entities shall apply the amendment simultaneously with IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 20, 'Regulatory assets and regulatory liabilities'	January 1, 2029

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

These consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Reporting" that came into effect as endorsed by the FSC.

(2) Basis of preparation

A. Except for the following significant items, these consolidated financial statements have been prepared under the historical cost convention:

(A) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(B) Financial assets at fair value through other comprehensive income.

(C) Defined benefit liabilities recognized at the net amount of pension fund assets less present value of defined benefit obligation.

B. The critical accounting estimates and assumptions used in preparation of financial statements and the critical judgements in applying the Group's accounting policies are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements

(A) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(B) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(C) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests.

(D) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(E) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main business activities	Ownership (%)			Remark
			June 30, 2026	December 31, 2025	June 30, 2025	
ASUS	ASUS COMPUTER INTERNATIONAL (ACI)	Selling of 3C products in North America	100.00	100.00	100.00	
ASUS	ASUS TECHNOLOGY INCORPORATION (ASUTC)	Selling of 3C products in Taiwan	100.00	100.00	100.00	
ASUS	ASUS HOLLAND B. V. (ACH)	Repairing of 3C products	100.00	100.00	100.00	
ASUS	ASUS INTERNATIONAL LIMITED (AIL)	Investing of 3C and computer peripheral business	100.00	100.00	100.00	
ASUS	ASUS GLOBAL PTE. LTD. (ASGL)	Selling of 3C products	100.00	100.00	100.00	
ASUS	ASUS CLOUD CORPORATION (ASUSCLOUD)	Selling of internet services	96.53	96.53	96.53	
ASUS	ASUS TECHNOLOGY LICENSING INC. (ATL)	Researching, developing and authorizing of communication technology	100.00	100.00	100.00	
ASUS	ASUS METAVERSE INC. (AMV)	Selling of metaverse services	100.00	100.00	100.00	
ASUS	ASUS LIFE CORPORATION (ASUSLC)	Selling of internet information services	90.00	90.00	90.00	
ASUS	ASKEY COMPUTER CORP. (ASKEY)	Designing, manufacturing, repairing and selling of communication products and computer peripheral spare parts	100.00	100.00	100.00	
ASUS	HUA-CHENG VENTURE CAPITAL CORP. (HCVC)	Investing of computer peripheral business	100.00	100.00	100.00	
ASUS	HUA-MIN INVESTMENT CO., LTD. (HMI)	Investing of computer peripheral business	100.00	100.00	100.00	
ASUS	QUANTUM CLOUD INTERNATIONAL PTE. LTD. (QCI)	Selling of information technology services	100.00	100.00	100.00	
ASUS	JINSHUO CULTURAL DIFFUSION CO., LTD. (JSCD)	Participating and promoting of professional eSports	100.00	100.00	100.00	
ASUS	UNIMAX ELECTRONICS INCORPORATION (UEI)	Manufacturing and selling of automotive electronics and computer peripherals	100.00	100.00	100.00	
ASUS	DATASUS COMPUTER INC. (DATASUS)	Investing of industrial server peripheral products business	100.00	100.00	100.00	
ASUS	ASUS TECH USA (ATUS)	Researching and developing of 3C products	100.00	100.00	100.00	
ASUS	TAIWAN HEALTH AND BIO DATABANK TECHNOLOGY INC. (THBDT)	Selling of medical data integration and analytics	65.00	65.00	65.00	
ASUS	MEDUS TECHNOLOGY INC. (MEDUS)	Selling of information system services	100.00	100.00	100.00	
ASUS and HCVC	SHINEWAVE INTERNATIONAL INC. (SWI)	Researching, developing and selling of information system software	51.00	51.00	51.00	

Investor	Subsidiary	Main business activities	Ownership (%)			Remark
			June 30, 2026	December 31, 2025	June 30, 2025	
ASUS and HCVC	INTERNATIONAL UNITED TECHNOLOGY CO., LTD. (TAIWAN) (IUT)	Researching, developing, manufacturing and selling of ink-jet print heads and ink-jet digital image output technology	69.25	69.25	69.25	
ASUS and HCVC	PT. ASUS TECHNOLOGY INDONESIA BATAM (ACBT)	Selling of 3C products in Indonesia	100.00	100.00	100.00	
ASUS and HCVC	PT. ASUS TECHNOLOGY INDONESIA JAKARTA (ACJK)	Selling of 3C products in Indonesia	100.00	100.00	100.00	
ASUS and HCVC	SHINYOPTICS CORP. (SHINYOPTICS)	Researching, developing, manufacturing and selling of virtual image optical engines and vehicle head-up displays	90.04	90.04	90.04	
ASUS and ASTP	ASUS TECHNOLOGY PRIVATE LIMITED (ACIN)	Supporting and repairing of 3C products in India	100.00	100.00	100.00	
ASUS and ASTP	ASUS INDIA PRIVATE LIMITED (ASIN)	Selling of 3C products in India	100.00	100.00	100.00	
ASUS and ASUSCLOUD	TAIWAN AI CLOUD CORPORATION (TWS)	Selling of AI computing services	74.18	74.18	85.71	Note
ASUS, HCVC and HMI	ASMEDIA TECHNOLOGY INC. (ASMEDIA)	Designing, researching, developing and manufacturing of high-speed analog circuit	42.92	42.56	42.58	
ASUS, HCVC and HMI	AAEON TECHNOLOGY INC. (AAEON)	Manufacturing and selling of industrial computers and computer peripherals	37.46	37.46	37.46	
ASUS, HMI and AAEON	ONYX HEALTHCARE INC. (ONYX)	Designing, manufacturing and selling of medical computers	53.90	53.91	53.98	Note
ASUS, HCVC and ASUSCLOUD	ASUS MAAS CORPORATION (ASUSMAAS)	Researching, developing and selling of smart parking system and charging piles	100.00	100.00	100.00	Note
HMI GROUP	JOGEEK TECHNOLOGY LIMITED (JOGEEK)	Selling and repairing of information software and electronic information materials	100.00	100.00	100.00	
SWI GROUP	EMES (SUZHOU) CO., LTD. (EMES)	Selling of information system software	100.00	100.00	100.00	
ASKEY GROUP	ASKEY INTERNATIONAL CORP. (ASKEYI)	Selling, repairing and supporting of communication products	100.00	100.00	100.00	
ASKEY GROUP	DYNALINK INTERNATIONAL CORP. (DIC)	Investing of communication business	100.00	100.00	100.00	
ASKEY GROUP	MAGIC INTERNATIONAL CO., LTD. (MIC)	Investing of communication business	100.00	100.00	100.00	
ASKEY GROUP	MAGICOM INTERNATIONAL CORP. (MAGICOM)	Investing of communication business	100.00	100.00	100.00	
ASKEY GROUP	YANG XU ELECTRONIC TECHNOLOGY (SHANGHAI) LTD. (ASKEYSH)	Researching, developing and selling of communication products	100.00	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%)			Remark
			June 30, 2026	December 31, 2025	June 30, 2025	
ASKEY GROUP	ASKEY TECHNOLOGY (JIANGSU) LTD. (ASKEYJS)	Manufacturing and selling of communication products	100.00	100.00	100.00	
ASKEY GROUP	WISE ACCESS (HK) LIMITED (WISE)	Investing of communication business	100.00	100.00	100.00	
ASKEY GROUP	ASKEY COMMUNICATION SAS (ASKEYFR)	Selling and supporting of communication products	100.00	100.00	100.00	
ASKEY GROUP	ASKEY COMMUNICATION GMBH (ASKEYCG)	Selling and supporting of communication products	100.00	100.00	100.00	
ASKEY GROUP	ASKEY DO BRASIL TECNOLOGIA LTDA. (ASKEYBR)	Selling and supporting of communication products	100.00	100.00	100.00	
ASKEY GROUP	ASKEY CORPORATION (THAILAND) CO., LTD. (ASKEYTH)	Selling and supporting of communication products	-	100.00	100.00	
ASKEY GROUP	ASKEY JAPAN CO., LTD. (ASKEYJP)	Selling and supporting of communication products	100.00	100.00	100.00	
ASKEY GROUP	ASKEY DIGITAL TECHNOLOGY CORP. (ASKEYDT)	Selling and supporting of communication products	100.00	100.00	100.00	
ASKEY GROUP	WONDALINK INC. (WONDA)	Manufacturing and designing of wired and wireless communication, electronic parts products, etc.	100.00	100.00	100.00	
ASKEY GROUP	ASKEYUK CO. LIMITED (ASKEYUK)	Selling and supporting of communication products	100.00	100.00	100.00	
ASKEY GROUP	DYNALINK NETWORK SOLUTIONS S. A. DE C. V. (DNS)	Selling and supporting of communication products	100.00	100.00	100.00	
ASKEY GROUP	ASKEY TECHNOLOGY (VIET NAM) COMPANY LIMITED (ASKEYVNBN)	Manufacturing and selling of communication products	100.00	100.00	100.00	
ASMEDIA GROUP	TECHPOINT, INC. (TECHPOINT)	Selling of semiconductor IC chip	100.00	100.00	100.00	
ASMEDIA GROUP	HSIANG-FENG INVESTMENT CO., LTD. (HSFI)	Investing of computer peripheral business	100.00	-	-	
TECHPOINT GROUP	TECHPOINT JAPAN K.K. (TECHJP)	Designing, researching and developing of semiconductor IC chip	100.00	100.00	100.00	
TECHPOINT GROUP	TECHPOINT TECHNOLOGY (SHENZHEN) CO., LTD. (TECHSZ)	Designing, researching and developing of semiconductor IC chip	100.00	100.00	100.00	
AAEON GROUP	AAEON ELECTRONICS, INC. (AAEONEI)	Selling of industrial computers and computer peripherals	100.00	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY CO., LTD. (AAEONTCL)	Investing of industrial computers and interface cards business	100.00	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY (EUROPE) B. V. (AAEONEU)	Selling of industrial computers and computer peripherals	100.00	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY GMBH (AAEONG)	Selling of industrial computers and computer peripherals	100.00	100.00	100.00	
AAEON GROUP	AAEON INVESTMENT CO., LTD. (AAEONI)	Investing of industrial computers and computer peripheral business	100.00	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%)			Remark
			June 30, 2026	December 31, 2025	June 30, 2025	
AAEON GROUP	AAEON TECHNOLOGY SINGAPORE PTE. LTD. (AAEONSG)	Selling of industrial computers and computer peripherals	100.00	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY (SUZHOU) INC. (AAEONSZ)	Manufacturing and selling of industrial computers and interface cards	100.00	100.00	100.00	
AAEON GROUP	JETWAY INFORMATION CO., LTD.(JETWAY)	Manufacturing and selling of industrial motherboard and computer peripherals	35.29	35.29	35.29	
AAEON GROUP	AAEON TECHNOLOGY CORPORATION LIMITED. (AAEONJP)	Selling of industrial computers and computer peripherals	100.00	-	-	
ONYX GROUP	ONYX HEALTHCARE USA, INC. (ONYXHU)	Selling of medical computers and peripherals	100.00	100.00	100.00	
ONYX GROUP	ONYX HEALTHCARE EUROPE B. V. (ONYXHE)	Marketing supporting and repairing of medical computers and peripherals	100.00	100.00	100.00	
ONYX GROUP	ONYX HEALTHCARE (SHANGHAI) LTD. (ONYXSH)	Selling of medical computers and peripherals	100.00	100.00	100.00	
ONYX GROUP	IHELPER INC. (IHELPER)	Researching, developing and selling of medical robots	46.00	46.00	46.00	
JETWAY GROUP	JET WAY COMPUTER CORP. (JETWAYUS)	Selling and repairing of computer peripheral equipment	100.00	100.00	100.00	
JETWAY GROUP	JET WAY COMPUTER B.V. (JETWAYNL)	Selling and repairing of computer peripheral equipment	100.00	100.00	100.00	
JETWAY GROUP	JET WAY (FAR EAST) INFORMATION COMPANY LIMITED (JETWAYFE)	Investing of computer peripheral business	100.00	100.00	100.00	
JETWAY GROUP	TOP NOVEL ENTERPRISE CORP. (TOPNOVEL)	Investing of computer peripheral business	100.00	100.00	100.00	
JETWAY GROUP	SCORETIME INVESTMENT LIMITED (SCORETIME)	Investing of computer peripheral business	-	100.00	100.00	
JETWAY GROUP	CANDID INTERNATIONAL CORP. (CANDID)	Investing of computer peripheral business	100.00	100.00	100.00	
JETWAY GROUP	FUJIAN CANDID INTERNATIONAL CO., LTD. (FUJIAN)	Manufacturing and selling of computer and peripheral equipment	100.00	100.00	100.00	
ASUSCLOUD GROUP	ASUS CLOUD SINGAPORE PTE. LTD. (ASUSCLOUDSG)	Investing of internet service business	-	-	100.00	
ASUSCLOUD GROUP	ASUS CLOUD (LUXEMBOURG) S. A R. L. (ASUSCLOUDLB)	Selling of information hardware maintenance and operation services	-	-	100.00	
JSCD GROUP	JINRUO CULTURAL DIFFUSION CO., LTD. (JRCD)	Participating and promoting of professional eSports	100.00	100.00	100.00	
DATASUS GROUP	DATASUS COMPUTER AMERICA (DATASUSUS)	Manufacturing and selling of industrial server peripheral products	100.00	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%)			Remark
			June 30, 2026	December 31, 2025	June 30, 2025	
AIL GROUP	CHANNEL PILOT LIMITED (CHANNEL)	Investing of 3C business	100.00	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY PTE. LIMITED (ASTP)	Investing of 3C business	100.00	100.00	100.00	
AIL GROUP	ASUS MIDDLE EAST FZCO (ACAE)	Supporting and repairing of 3C products in Middle East	100.00	100.00	100.00	
AIL GROUP	ASUS EGYPT L. L. C. (ACEG)	Supporting of 3C products in Egypt	100.00	100.00	100.00	
AIL GROUP	ASUS COMPUTER GMBH (ACG)	Selling and supporting of 3C products in Germany	100.00	100.00	100.00	
AIL GROUP	ASUS FRANCE SARL (ACF)	Supporting of 3C products in France	100.00	100.00	100.00	
AIL GROUP	ASUSTEK (UK) LIMITED (ACUK)	Supporting of 3C products in United Kingdom	100.00	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY (HONG KONG) LIMITED (ACHK)	Supporting and repairing of 3C products in Hong Kong	100.00	100.00	100.00	
AIL GROUP	ASUS KOREA CO., LTD. (ACKR)	Supporting and repairing of 3C products in South Korea	100.00	100.00	100.00	
AIL GROUP	ASUS POLSKA SP. Z O. O. (ACPL)	Supporting of 3C products in Poland	100.00	100.00	100.00	
AIL GROUP	ASUS EUROPE B.V. (ACNL)	Selling of 3C products	100.00	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY (VIETNAM) CO., LTD. (ACVN)	Supporting and repairing of 3C products in Vietnam	100.00	100.00	100.00	
AIL GROUP	ASUSTEK ITALY S. R. L. (ACIT)	Supporting of 3C products in Italy	100.00	100.00	100.00	
AIL GROUP	ASUS SPAIN, S. L. U. (ACIB)	Supporting of 3C products in Spain	100.00	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY (SUZHOU) CO., LTD. (ACSZ)	Researching and developing of 3C products	100.00	100.00	100.00	
AIL GROUP	ASUS JAPAN INCORPORATION (ACJP)	Selling of 3C products in Japan	100.00	100.00	100.00	
AIL GROUP	ASUS COMPUTER CZECH REPUBLIC S. R. O. (ACCZ)	Supporting of 3C products in Czech Republic	100.00	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTER (SHANGHAI) CO., LTD. (ACSH)	Selling of 3C products in China	100.00	100.00	100.00	
AIL GROUP	ASUS SERVICE AUSTRALIA PTY LIMITED (ASAU)	Repairing of 3C products in Australia	100.00	100.00	100.00	
AIL GROUP	ASUS AUSTRALIA PTY LIMITED (ACAU)	Supporting of 3C products in Australia	100.00	100.00	100.00	
AIL GROUP	ACBZ IMPORTACAO E COMERCIO LTDA. (ACBZ)	Selling of 3C products in Brazil	100.00	100.00	100.00	
AIL GROUP	ASUS ISRAEL (TECHNOLOGY) LTD. (ACIL)	Supporting of 3C products in Israel	100.00	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTER (CHONGQING) CO., LTD. (ACCQ)	Selling of 3C products in China	100.00	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%)			Remark
			June 30, 2026	December 31, 2025	June 30, 2025	
AIL GROUP	ASUS PERU S. A. C. (ACPE)	Supporting of 3C products in Peru	100.00	100.00	100.00	
AIL GROUP	PT. ASUS SERVICE INDONESIA (ASID)	Repairing of 3C products in Asia-pacific and America	100.00	100.00	100.00	
AIL GROUP	ASUS HOLDING MEXICO, S. A. DE C. V. (ACMH)	Selling of 3C products in Mexico	100.00	100.00	100.00	
AIL GROUP	ASUS PORTUGAL, SOCIEDADE UNIPESSOAL LDA. (ACPT)	Supporting of 3C products in Portugal	100.00	100.00	100.00	
AIL GROUP	ASUS HUNGARY SERVICES LIMITED LIABILITY COMPANY (ACHU)	Supporting of 3C products in Hungary	100.00	100.00	100.00	
AIL GROUP	ASUS SWITZERLAND GMBH (ACCH)	Supporting of 3C products in Switzerland	100.00	100.00	100.00	
AIL GROUP	ASUS NORDIC AB (ACN)	Supporting of 3C products in North Europe	100.00	100.00	100.00	
AIL GROUP	ASUS COMPUTER COLOMBIA S. A. S. (ACCO)	Supporting of 3C products in Colombia	100.00	100.00	100.00	
AIL GROUP	ASUS (THAILAND) CO., LTD. (ACTH)	Supporting of 3C products in Thailand	100.00	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTERS (PTY) LIMITED (ACZA)	Supporting and repairing of 3C products in Africa	100.00	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTER MALAYSIA SDN. BHD. (ACMY)	Supporting and repairing of 3C products in Malaysia	100.00	100.00	100.00	
AIL GROUP	ASUS BILGISAYAR SISTEMLERI TICARET LIMITED SIRKETI (ACTR)	Supporting and repairing of 3C products in Turkey	100.00	100.00	100.00	
AIL GROUP	ASUS CHILE SPA (ACCL)	Supporting of 3C products in Chile	100.00	100.00	100.00	
AIL GROUP	ASUS SERVICE (THAILAND) CO., LTD. (ASTH)	Repairing of 3C products in Thailand	100.00	100.00	100.00	
AIL GROUP	ASUS PHILIPPINES CORPORATION (ASPH)	Supporting and repairing of 3C products in Philippines	100.00	100.00	100.00	
AIL GROUP	ASUS COMPUTER (SHANGHAI) CO., LTD. (ACS)	Repairing of 3C products	100.00	100.00	100.00	
AIL GROUP	ASUS INVESTMENTS (SUZHOU) CO., LTD. (ACISZ)	Leasing of real estate	100.00	100.00	100.00	
AIL GROUP	ASUS CZECH SERVICE S. R. O. (ACCZS)	Repairing of 3C products in Europe	100.00	100.00	100.00	
AIL GROUP	ASUS PROPERTIES (VIETNAM) LTD. (APVN)	Leasing and selling of real estate	100.00	100.00	100.00	
AIL GROUP	LIABILITY LIMITED COMPANY A25 (A25)	Selling of 3C products in Russia	100.00	100.00	100.00	
AIL GROUP	ASUS UKRAINE LIMITED LIABILITY COMPANY (ACUKR)	Supporting of 3C products in Ukraine	100.00	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%)			Remark
			June 30, 2026	December 31, 2025	June 30, 2025	
AIL GROUP	PUSHUO CULTURE MEDIA (SHANGHAI) CO., LTD. (PSCD)	Selling of multi-channel network services	100.00	100.00	100.00	
AIL GROUP	ASUS COMPUTER COMMERCE B. V. (ACNLD)	Selling of 3C products	100.00	100.00	-	
AIL GROUP	AUTOASUS ELECTRONICS (SUZHOU) CO., LTD. (AESZ)	Manufacturing and selling of vehicle products in China	100.00	100.00	-	

Note: Percentage of ownership represents controlling shareholding ratio but not the comprehensive shareholding ratio.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different end of the financial reporting period: None.

E. Significant restrictions on its ability to transfer the assets and liabilities to other entities within the Group: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:
Non-controlling interests in each subsidiary are immaterial to the Group.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in "New Taiwan Dollars (NTD)", which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(A) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise, except when deferred in other comprehensive income as qualifying cash flow hedges.

(B) Monetary assets and liabilities denominated in foreign currencies are re-translated at the exchange rates prevailing at the end of the financial reporting period. Exchange differences arising upon re-translation are recognized in profit or loss.

(C) Non-monetary assets and liabilities denominated in foreign currencies at fair value through profit or loss are re-translated at the exchange rates prevailing at the end of the financial reporting period. The translation differences are recognized in profit or loss as part of the fair value gains or losses. Non-monetary assets and liabilities at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the end of the financial reporting period. The translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(D) All foreign exchange gains and losses are presented in the statement of comprehensive income within "other gains (losses)".

B. Translation of foreign operations

(A) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a. Assets and liabilities for each balance sheets presented are translated at the closing exchange rate at the end of the financial reporting period;

b. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

c. All resulting exchange differences are recognized in other comprehensive income.

(B) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gains or losses on sale. In addition, if the Group still retains partial interests in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

(C) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interests in this foreign operation. In addition, if the Group still retains partial interests in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in these foreign operations.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

(A) Assets that are expected to be realized, or are intended to be sold or consumed in the normal operating cycle;

(B) Assets that are held primarily for the purpose of trading;

(C) Assets that are expected to be realized within 12 months after the end of the reporting period;

(D) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities for at least 12 months after the end of the reporting period.

Otherwise they are classified as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

(A) Liabilities that are expected to be paid off in the normal operating cycle;

(B) Liabilities that are held primarily for the purpose of trading;

(C) Liabilities that are due to be paid off within 12 months after the end of the reporting period;

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

Otherwise they are classified as non-current liabilities.

(6) Cash equivalents

Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits can be classified as cash equivalents if they meet the criteria mentioned above and are held for short-term cash commitments in operational purpose.

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gains or losses in profit or loss.

D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

A. At initial recognition, the Group makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading. The debt instruments are measured at fair value through other comprehensive income if both of the following conditions are met:

(A) The objective of the Group's business model is achieved by both collecting contractual cash flows and selling financial assets; and

(B) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

(A) The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(B) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognized in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets measured at amortized costs

A. Financial assets at amortized cost are those that meet all of the following criteria:

(A) The objective of the Group's business model is achieved by collecting contractual cash flows.

(B) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. Gains or losses are recognized in profit or loss when the asset is derecognized or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortized cost and accounts receivable that have a significant financing component, at each end of the financial reporting period, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

A. The contractual rights to receive cash flows from the financial asset has expired.

B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially almost all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has not retained control of financial asset.

(13) Leasing arrangements (lessor) – operating leases

Lease income from an operating lease net of any incentives given to the lessee is recognized in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials and other direct/indirect costs. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated costs necessary to make the sale.

(15) Investments accounted for under equity method

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20% or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

B. The Group's share of its associates' post-acquisition profit or loss is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in "capital surplus" in proportion to its ownership.

D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares or buys treasury stocks (including the Group does not acquire or dispose shares proportionately), which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then "capital surplus" and "investments accounted for under equity method" shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

G. Upon loss of significant influence over an associate, the amounts previously recognized in other comprehensive income and as capital surplus in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it still retains significant influence over this associate, then the amounts previously recognized in other comprehensive income and as capital surplus in relation to the associate are reclassified to profit or loss proportionately.

H. At the balance sheet date, the Group performs an impairment test for an investment in an associate when there is an indication that the investment may be impaired. The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(16) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Except for land which is not depreciated, other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it should be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of the financial reporting period. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of buildings are 5~60 years, machinery and equipment are 1~15 years and miscellaneous equipment are 1~20 years.

(17) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low value assets, lease payments are recognized in expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payment, less any lease incentives receivable. The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(A) The amount of the initial measurement of lease liability;

(B) Any lease payments made at or before the commencement date; and

(C) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognize the difference in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20~50 years.

(19) Intangible assets

A Goodwill, trademark and customer relationship arise in a business combination accounted for by applying the acquisition method, customer relationship is amortized on a straight-line basis over their estimated useful lives of 6~15 years.

B. Other intangible assets, mainly computer software, are amortized on a straight-line basis over their estimated useful lives of 1~10 years.

(20) Impairment of non-financial assets

A. The Group assesses at the end of the financial reporting period the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or decrease, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss. However, the reversal should not exceed the carrying amount, net of depreciation or amortization had the impairment not been recognized.

B. The recoverable amounts of goodwill and intangible assets with an indefinite useful life shall be evaluated periodically. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(21) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds net of transaction costs and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(22) Notes and trade payables

A. Trade payables are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and trade payables without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(23) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gains or losses recognized in profit or loss.

(24) Derecognition of financial liabilities

The Group derecognizes a financial liability when the obligation specified in the contract is either discharged or cancelled or expires.

(25) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and reported in the net amount in the balance sheets when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(26) Non-hedging derivatives

Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.

(27) Hedge accounting

A. At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements.

B. The Group designates the hedging relationship as cash flow hedge which is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

C. Cash flow hedges

(A) The cash flow hedge reserve associated with the hedged item is adjusted to the lower of the following (in absolute amounts):

a. The cumulative gains or losses on the hedging instrument from inception of the hedge; and

b. The cumulative change in fair value of the hedged item from inception of the hedge.

(B) The effective portion of the gains or losses on the hedging instrument is recognized in other comprehensive income. The gains or losses on the hedging instrument relating to the ineffective portion is recognized in profit or loss.

(C) The amount that has been accumulated in the cash flow hedge reserve in accordance with (A) is accounted for as follows:

a. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or liability.

b. For cash flow hedges other than those covered by a. above, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

c. If that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.

(D) When the hedging instrument expires, or is sold, terminated, exercised or when the hedging relationship ceases to meet the qualifying criteria, if the forecast transaction is still expected to occur, the amount that has been accumulated in the cash flow hedge reserve shall remain in the cash flow hedge reserve until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(28) Provisions for liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the financial reporting period**,** which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized in interest expense. Future operating losses shall not be recognized as provisions for liabilities.

(29) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized in expenses in that period when the employees render service.

B. Pensions

(A) Defined contribution plans

For defined contribution plans, the contributions are recognized in pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(B) Defined benefit plans

a. The liability recognized in the balance sheets in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the financial reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash follow using interest rates of government bonds or interest rates of return of high-quality investments that have terms to maturity approximating to the terms of the related pension liability.

b. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as other equity.

c. Prior service costs are recognized immediately in profit or loss.

d. Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognizes expense when it can no longer withdraw an offer of termination benefits or it recognizes related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after financial reporting date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized in expenses and as liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(30) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods of related expenses incurred if the nature of government grant is to subsidize expenses the Group accrued.

(31) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized in compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at the end of the financial reporting period. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

B. For the cash-settled share-based payment arrangements, the employee services received and the liability incurred are measured at fair value of the liability to pay for those services, and are recognized as compensation cost and liability over the vesting period. The fair value of the liability shall be remeasured at each balance sheet date until settled at the settlement date, with any changes in fair value recognized in profit or loss.

C. Restricted stocks:

(A) The issued subsidiary uses the date notifying employees the number of shares of employees' stock bonus as the grant date.

(B) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognized in compensation cost over the vesting period.

(C) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognizes the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.

(D) For restricted stocks where employees do not need to pay to acquire those stocks, if employees resign during the vesting period, they must return the stocks to the Group and the Group will redeem without consideration, in accordance with the terms of restricted stocks.

(32) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the financial reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.

C. Deferred income tax is recognized, using the balance sheets liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the financial reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At the end of the financial reporting period, unrecognized and recognized deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheets when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheets when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

G. The interim period income tax expense is calculated according to pretax income times effective income tax rate, and the related information is disclosed accordingly.

(33) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(34) Revenue recognition

Sales of goods

A. The Group is engaged in the selling of 3C products. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Revenue from the sale of 3C products is recognized based on the price specified in the contract, net of the estimated volume discounts and sales discounts. Historical experience is usually used to estimate the discounts and returns. A refund liability is recognized at expected sales discounts payable to customers in relation to sales made until the end of the reporting period. The sales are made mainly with a credit term of due after the date of delivery or month-end 30 to 180 days. As the time interval between the transfer of committed goods or services and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

C. The Group's obligation to provide a repair for faulty products under the standard warranty terms is recognized as a provision.

D. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(35) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognized and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognized directly in profit or loss on the acquisition date.

(36) Operating segments

Operating segments are reported in a manner consistent with the internal management reports provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions at the end of the financial reporting period and estimates concerning future events. The resulting accounting estimates and assumptions might be different from the actual results, and will be continually evaluated and adjusted based on historical experience and other factors; and the related information is addressed below:

Critical accounting estimates and assumptions:

A. Refund liabilities recognition

The Group estimates sales related refund liabilities for sales returns and discounts based on historical results and other known factors. Provisions for such liabilities are recorded as a deduction item to sales revenues when the sales are recognized. The Group reassesses the reasonableness of estimates of discounts and returns periodically.

As of June 30, 2026, the Group recognized $46,937,802 as refund liabilities related to sales returns and discounts.

B. Evaluation of inventories

Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value at the end of the financial reporting period, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be a difference against actual result.

As of June 30, 2026, the carrying amount of inventories was $356,328,604.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand and petty cash	$ 18,788	$ 15,309	$ 14,867
Checking accounts and demand deposits	50,729,217	55,934,357	33,339,505
Time deposits	34,868,960	34,055,150	59,564,673
Others	539,525	73,913	87,780
	$ 86,156,490	$ 90,078,729	$ 93,006,825

The Group has no cash and cash equivalents pledged to others.

(2) Financial assets and liabilities at fair value through profit or loss

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets mandatorily measured at fair value through profit or loss - current:			
Equity instruments	$ 5,531	$ 6,494	$ 707,995
Beneficiary certificates	842,691	816,914	507,923
Derivatives	381,721	18,223	12,431
Hybrid instruments	-	-	101,000
	$ 1,229,943	$ 841,631	$ 1,329,349

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets mandatorily measured at fair value through profit or loss - non-current:			
Equity instruments	$ 1,260,801	$ 962,332	$ 111,499
Beneficiary certificates	318,044	313,780	226,297
Hybrid instruments	480,437	463,513	326,815
	$ 2,059,282	$ 1,739,625	$ 664,611
Financial liabilities held for trading -current:			
Derivatives	$ 172,522	$ 404,581	$ 853,682

A. The hybrid instruments held by the Group were convertible bonds and stocks with embedded options.

B. Amounts recognized in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	Three Months Ended	
	June 30, 2026	June 30, 2025
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	($ 26,009)	$ 77,254
Beneficiary certificates	12,740	2,602
Derivatives	311,339	(2,256,195)
Hybrid instruments	44,278	(21,380)
	$ 342,348	($ 2,197,719)

	Six Months Ended	
	June 30, 2026	June 30, 2025
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	$ 281,344	$ 149,181
Beneficiary certificates	19,381	7,577
Derivatives	395,226	(2,685,701)
Hybrid instruments	43,103	(17,345)
	$ 739,054	($ 2,546,288)

C. The Group entered into contracts relating to derivative financial assets and liabilities which were not accounted for under hedge accounting. The information is listed below:

	June 30, 2026			December 31, 2025		
	Contract amount (in thousands)		Maturity period	Contract amount (in thousands)		Maturity period
Derivative financial assets:						
Forward exchange contracts						
-CAD/USD	CAD	157,114	2026/12	CAD	40,949	2026/02
-EUR/USD	EUR	136,000	2026/08	EUR	63,000	2026/03
-GBP/USD	GBP	62,000	2026/09	GBP	10,000	2026/02
-AUD/USD	AUD	17,000	2026/07	AUD	16,000	2026/03
-USD/NTD	USD	152,000	2026/09	USD	5,000	2026/03
-PLN/USD	PLN	9,000	2026/07	PLN	80,000	2026/01
-THB/USD	THB	-	-	THB	50,000	2026/01
-JPY/USD	JPY	-	-	JPY	781,740	2026/01
-MXN/USD	MXN	760,000	2026/09	MXN	-	-
-IDR/USD	IDR	-	-	IDR	550,363,000	2026/01
-CNH/USD	CNH	1,994,918	2026/09	CNH	-	-
Currency option contracts						
-CNH/USD	CNH	1,313,491	2026/09	CNH	-	-

	June 30, 2026			December 31, 2025		
	Contract amount (in thousands)		Maturity period	Contract amount (in thousands)		Maturity period
Derivative financial liabilities:						
Forward exchange contracts						
-EUR/USD	EUR	10,000	2026/08	EUR	247,000	2026/03
-THB/USD	THB	-	-	THB	300,000	2026/01
-NTD/USD	USD	-	-	USD	120,000	2026/01
-CNH/USD	CNH	50,000	2026/07	CNH	1,328,388	2026/03
-INR/USD	INR	3,040,321	2026/07	INR	11,640,172	2026/01
-IDR/USD	IDR	1,949,386,000	2026/07	IDR	1,255,260,000	2026/01
-GBP/USD	GBP	-	-	GBP	83,000	2026/03
-CHF/USD	CHF	-	-	CHF	1,000	2026/01
-AUD/USD	AUD	-	-	AUD	55,400	2026/03
-MXN/USD	MXN	-	-	MXN	719,000	2026/03
-VND/USD	USD	-	-	USD	10,000	2026/01
-CAD/USD	CAD	68,066	2027/01	CAD	57,849	2026/06
-USD/CNH	USD	21,050	2026/08	USD	-	-
-USD/NTD	USD	509,530	2026/09	USD	7,040	2026/02
Currency option contracts						
-CNH/USD	CNH	514,344	2026/07	CNH	4,585,930	2026/05

	June 30, 2025		
	Contract amount (in thousands)		Maturity period
Derivative financial assets:			
Forward exchange contracts			
-CAD/USD	CAD	3,080	2025/10
-EUR/USD	EUR	5,000	2025/10
-USD/CNH	USD	10,000	2025/07
-USD/NTD	USD	11,400	2025/09
-JPY/USD	JPY	2,136,525	2025/07
-INR/USD	INR	4,403,521	2025/07
Currency option contracts			
-JPY/USD	JPY	5,004,000	2025/09
-CNH/USD	CNH	647,940	2025/09
Currency swap contracts			
-NTD/USD	USD	2,000	2025/07

	June 30, 2025		
	Contract amount (in thousands)		Maturity period
Derivative financial liabilities:			
Forward exchange contracts			
-EUR/USD	EUR	331,000	2025/10
-GBP/USD	GBP	50,000	2025/08
-CNH/USD	CNH	2,300,000	2025/08
-SEK/USD	SEK	21,000	2025/07
-INR/USD	INR	6,669,591	2025/07
-IDR/USD	IDR	1,761,740,000	2025/07
-PLN/USD	PLN	24,000	2025/07
-CHF/USD	CHF	3,000	2025/07
-AUD/USD	AUD	37,000	2025/08
-THB/USD	THB	200,000	2025/07
-MXN/USD	MXN	474,300	2025/08
-JPY/USD	JPY	1,806,000	2025/08
-CAD/USD	CAD	208,656	2026/01
-NTD/USD	USD	150,000	2025/07
Currency option contracts			
-CNH/USD	CNH	4,524,018	2025/11
-JPY/USD	JPY	6,743,470	2025/10
Currency swap contracts			
-NTD/USD	USD	11,000	2025/08

(A) Forward exchange contracts

The Group entered into forward exchange contracts to sell various forward foreign currencies to hedge exchange rate risk of import and export proceeds. However, these forward exchange contracts are not accounted for under hedge accounting.

(B) Currency option contracts

The Group entered into currency option contracts to buy foreign currency put options and sell foreign currency call options or put options, which will be performed in the future according to the agreed price and conditions, leverage ratio and settlement date. The purpose of the Group's undertaking of the above transactions is to hedge exchange rate risk of import and export proceeds. However, these currency option contracts are not accounted for under hedge accounting. The Group has implemented risk control over currency options, and no significant operational risks have been assessed.

(C) Currency swap contracts

The Group entered into currency swap contracts to hedge cash flow risk of the floating-rate liability positions. However, these currency swap contracts are not accounted for under hedge accounting.

D. Details of the Group's financial assets at fair value through profit or loss pledged to others as collateral are provided in Note 8.

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

	June 30, 2026	December 31, 2025	June 30, 2025
Current:			
Debt instruments			
Government bonds	$ 2,360,979	$ 1,598,265	$ -
Equity instruments			
Listed and OTC stocks	-	-	533,125
	$ 2,360,979	$ 1,598,265	$ 533,125
Non-current:			
Debt instruments			
Corporate bonds	$ 3,175,776	$ 3,183,219	$ 2,906,542
Government bonds	63,649	253,020	-
	3,239,425	3,436,239	2,906,542
Equity instruments			
Listed and OTC stocks	100,826,774	67,382,823	75,372,843
Unlisted and non-OTC stocks	924,123	657,906	690,007
	101,750,897	68,040,729	76,062,850
	$ 104,990,322	$ 71,476,968	$ 78,969,392

A. The Group has elected to classify equity investments that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $101,750,897, $68,040,729 and $76,595,975 on June 30, 2026, December 31, 2025 and June 30, 2025, respectively.

B. The Group sold its investments with fair value of $400,000 and $61 during the six months ended June 30, 2026 and 2025, respectively, and the gain (loss) on disposal amounting to $0 and ($27,093) was transferred from accumulated other comprehensive income to retained earnings, respectively. In addition, for the six months ended June 30, 2026 and 2025, the Group recognized gain (loss) on disposal of investments in associates reclassified from other comprehensive income to retained earnings of $0 and ($537), respectively.

C. Amounts recognized in profit or loss in relation to the financial assets at fair value through other comprehensive income are listed below:

	Three Months Ended	
	June 30, 2026	June 30, 2025
Equity instruments at fair value through other comprehensive income		
Dividends from investments recognized in profit or loss held at end of the period	$ 1,807,161	$ 2,051,487
Dividends from investments recognized in profit or loss derecognized during the period	$ 16,942	$ -
Debt instruments at fair value through other comprehensive income		
Reclassified from other comprehensive income to profit or loss due to impairment reversal (recognition)	$ 42	$ 24
Interest income recognized in profit or loss	$ 40,091	$ 38,894

	Six Months Ended	
	June 30, 2026	June 30, 2025
Equity instruments at fair value through other comprehensive income		
Dividends from investments recognized in profit or loss held at end of the period	$ 1,807,161	$ 2,059,620
Dividends from investments recognized in profit or loss derecognized during the period	$ 16,942	$ -
Debt instruments at fair value through other comprehensive income		
Reclassified from other comprehensive income to profit or loss due to impairment reversal (recognition)	$ 41	$ 28
Interest income recognized in profit or loss	$ 79,854	$ 80,010

D. As of June 30, 2026, December 31, 2025 and June 30, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was $5,600,404, $5,034,504 and $2,906,542, respectively.

E. Information about credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

F. The Group has no financial assets at fair value through other comprehensive income pledged to others.

(4) Financial assets at amortized cost

Items	June 30, 2026	December 31, 2025	June 30, 2025
Current items:			
Corporate bonds	$ 1,724,110	$ 4,578,411	$ 5,717,090
Less: Accumulated impairment	(1,569)	(3,823)	(5,805)
	1,722,541	4,574,588	5,711,285
Time deposits	878,535	1,541,022	805,757
Restricted deposits	119,437	558,444	27,835
	$ 2,720,513	$ 6,674,054	$ 6,544,877
Non-current items:			
Corporate bonds	$ -	$ -	$ 1,856,787
Less: Accumulated impairment	-	-	(1,900)
	-	-	1,854,887
Restricted deposits	143,004	141,540	159,040
	$ 143,004	$ 141,540	$ 2,013,927

A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	Three Months Ended	
	June 30, 2026	June 30, 2025
Interest income	$ 19,155	$ 62,482
Expected credit impairment reversed gains	97	1,379
Gains (losses) on disposal of investments	929	(77)
	$ 20,181	$ 63,784

	Six Months Ended	
	June 30, 2026	June 30, 2025
Interest income	$ 48,416	$ 136,365
Expected credit impairment reversed gains	125	8,097
Gains (losses) on disposal of investments	905	10,701
	$ 49,446	$ 155,163

B. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

C. As of June 30, 2026, December 31, 2025 and June 30, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group were $2,863,517, $6,815,594 and $8,558,804, respectively.

D. Information about credit risk of financial assets at amortized cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Hedging financial assets and liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets - current			
Cash flow hedges - Forward exchange contracts	$ 646,413	$ 67,310	$ 13,906
Financial liabilities - current			
Cash flow hedges - Forward exchange contracts	(12,573)	(166,431)	(1,148,293)
	$ 633,840	($ 99,121)	($ 1,134,387)

A. Hedge accounting is applied to reduce the effect of accounting inconsistency between the hedging instrument and the hedged item. The Group entered into forward exchange and non-derivative financial instrument hedging contracts to manage its foreign currency exposure in respect of forecasted sales transactions and business combination. When forecasted sales transactions occur, the carrying amount of the non-financial hedged items is adjusted accordingly.

B. Transaction information associated with the Group adopting hedge accounting is as follows:

Hedging instruments	June 30, 2026			December 31, 2025		
		Contract amount (in thousands)	Maturity period		Contract amount (in thousands)	Maturity period
Cash flow hedges:						
Hedging financial assets						
Forward exchange contracts						
-EUR/USD	EUR	563,000	2026/12	EUR	142,000	2026/06
-PLN/USD	PLN	143,000	2026/09	PLN	-	-
-IDR/USD	IDR	200,000,000	2026/09	IDR	-	-
-JPY/USD	JPY	13,600,000	2026/09	JPY	12,800,000	2026/03
-GBP/USD	GBP	113,000	2026/12	GBP	13,000	2026/03
-SEK/USD	SEK	155,000	2026/12	SEK	-	-
-AUD/USD	AUD	45,300	2026/09	AUD	-	-
Hedging financial liabilities						
Forward exchange contracts						
-AUD/USD	AUD	7,500	2026/09	AUD	32,000	2026/03
-EUR/USD	EUR	59,000	2026/12	EUR	325,000	2026/06
-GBP/USD	GBP	21,000	2026/12	GBP	78,000	2026/06
-SEK/USD	SEK	12,000	2026/12	SEK	121,000	2026/06
-PLN/USD	PLN	44,000	2026/09	PLN	57,000	2026/03
-INR/USD	INR	-	-	INR	1,500,000	2026/03
-IDR/USD	IDR	400,000,000	2026/09	IDR	-	-

Hedging instruments	June 30, 2025		
		Contract amount (in thousands)	Maturity period
Cash flow hedges:			
Hedging financial assets			
Forward exchange contracts			
-JPY/USD	JPY	6,889,000	2026/03
-AUD/USD	AUD	2,000	2025/09
Hedging financial liabilities			
Forward exchange contracts			
-AUD/USD	AUD	50,000	2025/09
-EUR/USD	EUR	549,000	2025/12
-GBP/USD	GBP	94,000	2025/12
-SEK/USD	SEK	154,000	2025/12
-PLN/USD	PLN	186,000	2025/09
-JPY/USD	JPY	7,768,000	2026/03

The average exchange rate of hedging instruments used by the Group is based on the consideration of future exchange rate fluctuation of the hedged items.

C. Cash flow hedges

	2026	2025
Other equity - hedge effectiveness		
January 1	($ 99,121)	$ 839,711
Gains (losses) of hedge instrument for the period	732,961	(2,775,811)
Reclassified to hedged item	-	801,713
June 30	$ 633,840	($ 1,134,387)
Other gains (losses) - hedge ineffectiveness	$ -	($ 3,953)

D. For derivatives financial instruments, as the hedging instrument expires, the hedging relationship ceases to meet the qualifying criteria. If the forecast transaction is still expected to occur, the amount that has been accumulated in the gains (losses) on hedging instruments shall remain in other comprehensive income until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the gains (losses) on hedging instruments to other gains (losses) - hedge ineffectiveness.

(6) Notes and trade receivables

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	$ 15,906,552	$ 5,672,779	$ 11,770,770
Trade receivables	164,440,298	115,356,927	118,071,944
Installment trade receivables	3,199,613	22,451,060	-
	183,546,463	143,480,766	129,842,714
Less: Unrealized interest income -Installment trade receivables	(12,798)	(326,425)	-
Less: Loss allowance	(4,175,542)	(3,827,495)	(3,208,239)
	$ 179,358,123	$ 139,326,846	$ 126,634,475

A. The aging analysis of notes and trade receivables is as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Not past due	$ 160,323,234	$ 118,897,629	$ 112,928,395
Less than 90 days past due	18,469,678	20,431,589	13,629,668
Between 91 and 180 days past due	1,100,291	944,155	994,596
More than 181 days past due	3,640,462	2,880,968	2,290,055
	$ 183,533,665	$ 143,154,341	$ 129,842,714

B. As of June 30, 2026, December 31, 2025, June 30, 2025, and January 1, 2025, the balances of notes and trade receivables from contracts with customers amounted to $183,546,463, $143,480,766, $129,842,714, and $115,855,214, respectively.

C. The Group does not hold financial assets as security for trade receivables.

D. As of June 30, 2026, December 31, 2025 and June 30, 2025, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were $15,687,070, $5,462,514 and $11,579,415, respectively. The maximum exposure to credit risk in respect of the amount that best represents the Group's trade receivables were $163,671,053, $133,864,332 and $115,055,060, respectively.

E. Information about credit risk of notes and trade receivables is provided in Note 12(2).

(7) Transfer of financial assets

Transferred financial assets that are derecognized entirety

The Group entered into a factoring agreement with HSBC Bank (Taiwan) Limited and Banco Santander, S.A. Bank to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the uncollectible risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognized the transferred accounts receivable, and the related information is as follows:

June 30, 2026					
Purchaser of accounts receivable	Amount of accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Interest rate interval of amount advanced
HSBC	$ 72,580	$ 72,580	$ 217,739	$ 72,580	2.8%~3.1%

December 31, 2025					
Purchaser of accounts receivable	Amount of accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Interest rate interval of amount advanced
Banco Santander	$ 333,779	$ 333,779	$ 2,042,950	$ 333,779	9.15%~9.98%

June 30, 2025					
Purchaser of accounts receivable	Amount of accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Interest rate interval of amount advanced
Banco Santander	$ 311,159	$ 311,159	$ 1,904,500	$ 311,159	9.15%~9.98%

(8) Offsetting financial assets and financial liabilities

A. The Group has assets (fair value of $61,599,785, $36,231,686 and $55,816,569 as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively) from and liabilities (fair value of $68,999,118, $49,987,259 and $63,402,065 as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively) to certain companies that meet the offsetting criteria in paragraph 42 of IAS 32, recognized as trade receivables and notes and trade payables at net amounts after the offsetting.

B. The recognition information of the Group due to net delivery agreement is expressed as follows:

	Trade receivables, notes and trade payables with offsetting right					
	Gross amount of financial assets (before offsetting)	Gross amount of financial liabilities (before offsetting)	Offsetting amount	Net amount of financial assets (after offsetting)	Net amount of financial liabilities (after offsetting)	Not set off in the balance sheet: collateral (received) /provided
June 30, 2026	$ 61,599,785	($ 68,999,118)	($ 61,488,587)	$ 111,198	($ 7,510,531)	$ -
December 31, 2025	36,231,686	(49,987,259)	(35,939,658)	292,028	(14,047,601)	-
June 30, 2025	55,816,569	(63,402,065)	(55,716,684)	99,885	(7,685,381)	-

(9) Inventories

	June 30, 2026	December 31, 2025	June 30, 2025
Raw materials	$ 184,988,243	$ 77,494,465	$ 56,686,083
Work in process	27,520,166	18,333,338	6,352,842
Finished goods	26,585,584	10,728,705	11,730,868
Merchandise inventories	111,464,564	88,806,935	74,066,599
Inventories in transit	5,770,047	2,279,031	1,396,420
	$ 356,328,604	$ 197,642,474	$ 150,232,812

Except for cost of goods sold, the Group recognized in expenses and losses of inventories in the amounts of $1,918,450, $1,498,812, $5,009,781, and $946,772, of which $1,867,339, $1,458,639, $4,977,843, and $881,808 pertain to the decline (recovery) in value of inventories for the three months ended June 30, 2026 and 2025, and for the six months ended June 30, 2026 and 2025, respectively.

(10) Investments accounted for under equity method

	June 30, 2026	December 31, 2025	June 30, 2025
Associates			
WT	$ 17,405,160	$ 17,460,136	$ 12,482,283
Others	14,198,426	13,431,465	12,658,961
	$ 31,603,586	$ 30,891,601	$ 25,141,244

A. The Group's associates are all immaterial, and the summary on financial information of share attributable to the Group is as follows:

	Three Months Ended	
	June 30, 2026	June 30, 2025
Profit (loss) for the period	$ 1,660,688	$ 892,321
Other comprehensive income (loss) for the period (net of income tax)	352,358	(4,972,875)
Total comprehensive income (loss) for the period (net of income tax)	$ 2,013,046	($ 4,080,554)

	Six Months Ended	
	June 30, 2026	June 30, 2025
Profit (loss) for the period	$ 2,925,953	$ 1,990,735
Other comprehensive income (loss) for the period (net of income tax)	258,851	(4,919,033)
Total comprehensive income (loss) for the period (net of income tax)	$ 3,184,804	($ 2,928,298)

B. The fair value of the Group's associates which have quoted market price is as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Associates			
WT	$ 40,386,170	$ 25,854,698	$ 24,250,574
Others	12,717,969	9,721,266	10,881,562
	$ 53,104,139	$ 35,575,964	$ 35,132,136

C. As of June 30, 2026 and 2025, the investments accounted for under equity method amounted to $5,368,445 and $4,159,900, respectively, and the share of comprehensive income amounted to $264,556, $223,900, $506,096, and $841,271 for the three months ended June 30, 2026 and 2025, and for the six months ended June 30, 2026 and 2025, respectively, which were evaluated based on the investees' unreviewed financial statements.

D. The Group is the single largest shareholder of IBASE, ASUSTOR, EMC, UPI, LELTEK, QSAN and WT with a 26.17%, 38.04%, 12.50%, 21.93%, 19.90%, 19.81% and 14.87% equity interest, respectively. Given the degree of other shareholders involvement in prior stockholders' meeting and record of voting rights for major proposals, which indicates that the Group has no substantial ability to direct the relevant activities, the Group has no control, but only has significant influence, over the companies.

(11) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Miscellaneous equipment	Construction in progress and equipment under installation	Total
January 1, 2026						
Cost	$ 7,811,947	$14,898,042	$ 8,034,885	$ 4,690,432	$ 556,711	$ 35,992,017
Accumulated depreciation and impairment	-	(5,170,304)	(6,160,918)	(3,301,879)	-	(14,633,101)
	$ 7,811,947	$ 9,727,738	$ 1,873,967	$ 1,388,553	$ 556,711	$ 21,358,916
January 1, 2026	$ 7,811,947	$ 9,727,738	$ 1,873,967	$ 1,388,553	$ 556,711	$ 21,358,916
Acquisitions	-	79,756	281,864	172,853	54,029	588,502
Disposals	-	(127)	(18,286)	(3,474)	-	(21,887)
Depreciation	-	(211,086)	(338,223)	(239,070)	-	(788,379)
Impairment	-	-	(5,222)	(9,150)	-	(14,372)
Reclassifications	251,384	118,246	21,435	12,473	(405,845)	(2,307)
Effects due to consolidated entities	-	-	-	2,186	-	2,186
Net exchange differences	6,631	63,877	13,403	13,451	7,935	105,297
June 30, 2026	$ 8,069,962	$ 9,778,404	$ 1,828,938	$ 1,337,822	$ 212,830	$ 21,227,956
June 30, 2026						
Cost	$ 8,069,962	$15,273,389	$ 7,467,570	$ 4,827,030	$ 212,830	$ 35,850,781
Accumulated depreciation and impairment	-	(5,494,985)	(5,638,632)	(3,489,208)	-	(14,622,825)
	$ 8,069,962	$ 9,778,404	$ 1,828,938	$ 1,337,822	$ 212,830	$ 21,227,956

	Land	Buildings	Machinery and equipment	Miscellaneous equipment	Construction in progress and equipment under installation	Total
January 1, 2025						
Cost	$ 7,761,790	$14,307,112	$ 8,355,080	$ 4,453,443	$ 307,180	$ 35,184,605
Accumulated depreciation and impairment	-	(4,857,784)	(6,412,260)	(3,076,522)	-	(14,346,566)
	$ 7,761,790	$ 9,449,328	$ 1,942,820	$ 1,376,921	$ 307,180	$ 20,838,039
January 1, 2025	$ 7,761,790	$ 9,449,328	$ 1,942,820	$ 1,376,921	$ 307,180	$ 20,838,039
Acquisitions	-	9,542	249,119	138,962	153,823	551,446
Disposals	-	-	(5,197)	(6,517)	-	(11,714)
Depreciation	-	(196,714)	(393,311)	(217,368)	-	(807,393)
Reclassifications	74,291	306,376	20,679	45,037	(76,973)	369,410
Effects due to consolidated entities	-	-	-	9,318	1,952	11,270
Net exchange differences	(62,246)	(309,660)	(76,737)	(77,799)	(23,031)	(549,473)
June 30, 2025	$ 7,773,835	$ 9,258,872	$ 1,737,373	$ 1,268,554	$ 362,951	$ 20,401,585
June 30, 2025						
Cost	$ 7,773,835	$13,975,887	$ 7,879,767	$ 4,330,228	$ 362,951	$ 34,322,668
Accumulated depreciation and impairment	-	(4,717,015)	(6,142,394)	(3,061,674)	-	(13,921,083)
	$ 7,773,835	$ 9,258,872	$ 1,737,373	$ 1,268,554	$ 362,951	$ 20,401,585

A. After evaluating and comparing the carrying amount of property, plant and equipment and its recoverable amounts, the Group recognized impairment loss amounting to $12,796, $0, $14,372 and $0 for the three months ended June 30, 2026 and 2025, and for the six months ended June 30, 2026 and 2025, respectively.

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(12) Leasing arrangements - lessee

A. The Group leases various assets including buildings, transportation equipment, miscellaneous equipment, land use right, and so on. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Right-of-use-assets

	Buildings	Machinery and equipment	Transportation equipment	Miscellaneous equipment	Land use right	Total
January 1, 2026	$ 1,637,550	$ 742	$ 24,362	$ 1,370	$ 513,166	$ 2,177,190
Acquisitions	196,256	-	4,078	-	-	200,334
Disposals	(6,906)	-	(732)	-	-	(7,638)
Depreciation	(275,521)	(364)	(9,380)	(130)	(7,787)	(293,182)
Reclassifications	(1,016)	-	-	-	-	(1,016)
Effects due to consolidated entities	1,685	-	-	-	-	1,685
Net exchange differences	11,322	-	(211)	(6)	16,479	27,584
June 30, 2026	$ 1,563,370	$ 378	$ 18,117	$ 1,234	$ 521,858	$ 2,104,957

	Buildings	Machinery and equipment	Transportation equipment	Miscellaneous equipment	Land use right	Total
January 1, 2025	$ 1,666,206	$ 447	$ 32,810	$ 463	$ 443,547	$ 2,143,473
Acquisitions	138,115	943	6,581	-	81,193	226,832
Disposals	(9,627)	-	(162)	-	-	(9,789)
Depreciation	(253,761)	(285)	(10,213)	(187)	(6,940)	(271,386)
Reclassifications	(311)	-	-	-	6,011	5,700
Effects due to consolidated entities	22,816	-	-	-	-	22,816
Net exchange differences	(100,751)	-	70	1	(46,297)	(146,977)
June 30, 2025	$ 1,462,687	$ 1,105	$ 29,086	$ 277	$ 477,514	$ 1,970,669

C. The information on income and expense accounts relating to lease contracts is as follows:

	Three Months Ended	
	June 30, 2026	June 30, 2025
Items affecting profit or loss		
Interest expense on lease liabilities	$ 15,336	$ 15,432
Expense on short-term lease contracts	68,073	74,340
Expense on leases of low-value assets	325	5,132
Losses (gains) on lease modification	(2,528)	(428)

	Six Months Ended	
	June 30, 2026	June 30, 2025
Items affecting profit or loss		
Interest expense on lease liabilities	$ 31,105	$ 31,394
Expense on short-term lease contracts	140,602	165,672
Expense on leases of low-value assets	1,192	6,612
Losses (gains) on lease modification	(4,708)	(661)

D. For the six months ended June 30, 2026 and 2025, the Group's total cash outflow for leases were $459,842 and $556,231, respectively.

(13) Intangible assets

	Trademark	Computer software	Goodwill	Customer Relationship	Others	Total
January 1, 2026						
Cost	$ 794,187	$ 2,644,078	$ 8,921,193	$ 2,541,176	$ 1,122,113	$ 16,022,747
Accumulated amortization and impairment	-	(1,956,211)	(31,598)	(245,032)	(506,945)	(2,739,786)
	$ 794,187	$ 687,867	$ 8,889,595	$ 2,296,144	$ 615,168	$ 13,282,961
January 1, 2026	$ 794,187	$ 687,867	$ 8,889,595	$ 2,296,144	$ 615,168	$ 13,282,961
Acquisitions	-	234,861	-	-	2,598	237,459
Amortization	(35,637)	(290,234)	-	(127,485)	(44,005)	(497,361)
Reclassifications	-	266	-	-	-	266
Effects due to consolidated entities	-	45	51,627	-	-	51,672
Net exchange differences	-	3,989	2,648	(1,904)	5,657	10,390
June 30, 2026	$ 758,550	$ 636,794	$ 8,943,870	$ 2,166,755	$ 579,418	$ 13,085,387
June 30, 2026						
Cost	$ 794,187	$ 2,851,743	$ 8,975,467	$ 2,541,694	$ 1,031,853	$ 16,194,944
Accumulated amortization and impairment	(35,637)	(2,214,949)	(31,597)	(374,939)	(452,435)	(3,109,557)
	$ 758,550	$ 636,794	$ 8,943,870	$ 2,166,755	$ 579,418	$ 13,085,387

	Trademark	Computer software	Goodwill	Customer Relationship	Others	Total
January 1, 2025						
Cost	$ 355,301	$ 2,529,422	$ 1,377,322	$ 465,859	$ 809,776	$ 5,537,680
Accumulated amortization and impairment	-	(1,859,800)	(31,598)	(110,919)	(644,355)	(2,646,672)
	$ 355,301	$ 669,622	$ 1,345,724	$ 354,940	$ 165,421	$ 2,891,008
January 1, 2025	$ 355,301	$ 669,622	$ 1,345,724	$ 354,940	$ 165,421	$ 2,891,008
Acquisitions	-	137,715	-	-	68,499	206,214
Disposals	-	(414)	-	-	-	(414)
Amortization	-	(231,959)	-	(33,275)	(22,333)	(287,567)
Reclassifications	-	104,948	-	-	(7,346)	97,602
Effects due to consolidated entities	-	-	9,705,660	-	26,349	9,732,009
Net exchange differences	-	(3,692)	(540)	-	(7,932)	(12,164)
June 30, 2025	$ 355,301	$ 676,220	$ 11,050,844	$ 321,665	$ 222,658	$ 12,626,688
June 30, 2025						
Cost	$ 355,301	$ 2,745,454	$ 11,082,443	$ 465,859	$ 748,470	$ 15,397,527
Accumulated amortization and impairment	-	(2,069,234)	(31,599)	(144,194)	(525,812)	(2,770,839)
	$ 355,301	$ 676,220	$ 11,050,844	$ 321,665	$ 222,658	$ 12,626,688

A. The assessment of goodwill for impairment involves significant management judgment, including the identification of cash-generating units and the determination of their recoverable amount (which is the higher of value in use and fair value less costs to sell). The key assumptions are determined based on historical performance and market expectations for budget gross profit margins, and by referencing historical experience and industry expectations to apply a weighted average growth rate. Additionally, a post-tax discount rate reflecting the specific risks of the operating segment is used as the basis for the assessment. The principal assumptions adopted for the assessment as of June 30, 2026 are as follows:

	Six Months Ended June 30, 2026
Gross margin	52%~54%
Revenue growth rate	2%~21%
Discount rate	11.90%

Based on the evaluation conducted, no impairment loss on goodwill was recognized for the period from January 1 to June 30, 2026.

B. As of June 30, 2026, the Group recorded goodwill arising from the acquisition of TECHPOINT, INC. (hereinafter referred to as TECHPOINT) of $7,492,837. Goodwill impairment testing involved allocating the goodwill to the cash-generating units related to TECHPOINT, with the recoverable amount determined based on value in use. Value in use is estimated based on the five-year budget cash flows approved by the management.

C. The Group has no intangible assets pledged to others.

(14) Short-term borrowings

Type of borrowings	June 30, 2026	Interest rate range	Collateral
Bank borrowings			
Guaranteed borrowings	$ 50,000	2.17%	Property, plant and equipment
Credit borrowings	100,653,372	1.66%~5.24%	-
Other short-term borrowings	38,320	3.56%	Machinery and Miscellaneous equipment
	$ 100,741,692		

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Guaranteed borrowings	$ 50,000	2.15%	Property, plant and equipment
Credit borrowings	29,478,382	1.63%~6.66%	-
Other short-term borrowings	153,328	3.56%	Machinery and Miscellaneous equipment
	$ 29,681,710		

Type of borrowings	June 30, 2025	Interest rate range	Collateral
Bank borrowings			
Guaranteed borrowings	$ 30,000	2.06%	Property, plant and equipment
Credit borrowings	21,448,776	1.73%~5.89%	-
Other short-term borrowings	30,000	3.60%	Machinery and Miscellaneous equipment
	$ 21,508,776		

Information about the assets pledged as collateral for the Group's short-term borrowings is disclosed in Note 8.

(15) Long-term borrowings

Type of borrowing	Borrowing period and repayment term	Interest rate	Collateral	June 30, 2026
Long-term bank borrowings				
Guaranteed borrowings	Borrowing period is from May 28, 2021 to May 28, 2036; interest is repayable monthly	1.98%	Land and buildings	$ 118,558
Credit borrowings	Borrowing period is from November 28, 2024 to November 28, 2027; the principal is payable in 12 quarterly installments, with each installment amounting to $15,000 for the 1st to 11th installments and the remaining balance shall be paid in full on the 12th installment; interest is repayable monthly	2.50%	-	210,000
Credit borrowings	Borrowing period is from November 30, 2022 to November 30, 2027; interest is repayable	0.76%	-	11,186
Credit borrowings	Borrowing period is from November 19, 2023 October 31, 2026; interest is repayable	0.81%	-	2,963
				$ 342,707
Less: Current portion				(75,046)
				$ 267,661

Type of borrowing	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2025
Long-term bank borrowings				
Guaranteed borrowings	Borrowing period is from May 28, 2021 to May 28, 2036; interest is repayable monthly	1.98%	Land and buildings	$ 123,946
Credit borrowings	Borrowing period is from January 5, 2023 to January 5, 2026; interest is repayable	2.49%	-	2,084
Credit borrowings	Borrowing period is from November 28, 2024 to November 28, 2027; the principal is payable in 12 quarterly installments, with each installment amounting to $15,000 for the 1st to 11th installments and the remaining balance shall be paid in full on the 12th installment; interest is repayable monthly	2.50%	-	240,000
				$ 366,030
Less: Current portion				(72,907)
				$ 293,123

Type of borrowing	Borrowing period and repayment term	Interest rate	Collateral	June 30, 2025
Long-term bank borrowings				
Guaranteed borrowings	Borrowing period is from May 28, 2021 to May 28, 2036; interest is repayable monthly	1.98%	Land and buildings	$ 129,275
Credit borrowings	Borrowing period is from January 5, 2023 to January 5, 2026; interest is repayable	2.49%	-	14,583
Credit borrowings	Borrowing period is from November 28, 2024 to November 28, 2027; the principal is payable in 12 quarterly installments, with each installment amounting to $15,000 for the 1st to 11th installments and the remaining balance shall be paid in full on the 12th installment; interest is repayable monthly	2.50%	-	270,000
				$ 413,858
Less: Current portion				(85,300)
				$ 328,558

Information about the assets pledged as collateral for the Group's long-term borrowings is disclosed in Note 8.

(16) Pensions

A. Defined benefit pension plans

(A) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution for the deficit by next March.

(B) The pension costs under the defined benefit pension plans of the Group were $4,955, $4,496, $8,783, and $8,574 for the three months ended June 30, 2026 and 2025, and for the six months ended June 30, 2026 and 2025, respectively.

(C) Expected contribution to the defined benefit pension plans of the Group for the year ending December 31, 2027 is $5,748.

B. Defined contribution pension plans

(A) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (New Plan) under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(B) The Company's mainland subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China are based on a certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(C) The pension costs under the defined contribution pension plans of the Group were $446,537, $387,275, $886,807, and $796,881 for the three months ended June 30, 2026 and 2025, and for the six months ended June 30, 2026 and 2025, respectively.

(17) Provisions for liabilities

	Provisions for warranty	Provisions for legal claims and royalty	Total
January 1, 2026	$ 26,411,532	$ 8,168,887	$ 34,580,419
Recognition (reversal)	4,868,746	684,607	5,553,353
Use	(3,947,234)	-	(3,947,234)
Effects due to consolidated entities	102	-	102
Net exchange differences	533,499	110,072	643,571
June 30, 2026	$ 27,866,645	$ 8,963,566	$ 36,830,211

	Provisions for warranty	Provisions for legal claims and royalty	Total
January 1, 2025	$ 25,730,431	$ 7,727,752	$ 33,458,183
Recognition (reversal)	3,824,277	815,520	4,639,797
Use	(3,955,540)	-	(3,955,540)
Effects due to consolidated entities	5,177	-	5,177
Net exchange differences	(2,370,524)	(816,013)	(3,186,537)
June 30, 2025	$ 23,233,821	$ 7,727,259	$ 30,961,080

Analysis of total provisions:

	June 30, 2026	December 31, 2025	June 30, 2025
Current	$ 36,830,211	$ 34,580,419	$ 30,961,080

A. Provisions for warranty

The Group provides warranties on 3C products sold. Provision for warranty is estimated based on these products' historical warranty data. A provision is recognized as current when it is expected to be used in one year.

B. Provisions for legal claims and royalty

The Group recognizes provision for legal claims or royalty fees made by the patentees against the Group. After taking appropriate legal advice, the management evaluates the probable claimable fees accrued as provision for liabilities. The provision charge is recognized in profit or loss within operating costs and expenses.

(18) Refund liabilities

	2026	2025
January 1	$ 39,740,284	$ 36,156,193
Recognition (reversal)	40,908,321	34,409,705
Use	(34,430,304)	(33,175,271)
Net exchange differences	719,501	(3,453,074)
June 30	$ 46,937,802	$ 33,937,553

The Group recognizes refund liabilities on 3C products sold. Refund liabilities are estimated based on these products' historical data and other known factors. A provision is recognized as current when it is expected to be used in one year.

(19) Common shares

A. As of June 30, 2026, the Company's authorized capital was $47,500,000, consisting of 4,750,000,000 shares of common stock (including 50,000,000 shares which were reserved for employee stock options), and the paid-in capital was $7,427,603, with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

The number of the Company's ordinary shares outstanding at the beginning and ending for the six months ended June 30, 2026 and 2025 are both 742,760,280 shares.

B. As of June 30, 2026, the Company issued Global Depositary Receipts (GDRs), of which 3,904 thousand units of the GDRs are now listed on the Luxembourg Stock Exchange. Per unit of GDR represents 5 shares of the Company's common stock and total GDRs represent 19,518 thousand shares of the Company's common stock. The terms of GDR are as follows:

(A) Voting rights

GDR holders may, pursuant to the Depositary Agreement and the relevant laws and regulations of the R.O.C., exercise the voting rights pertaining to the underlying common shares represented by the GDRs.

(B) Dividends, stock warrants and other rights

GDR holders and common shareholders are all entitled to receive dividends. The Depositary may issue new GDRs in proportion to GDRs holding ratios or raise the number of shares of common stock represented by each unit of GDR or sell stock dividends on behalf of GDR holders and distribute proceeds to them in proportion to their GDRs holding ratios.

(20) Capital surplus

Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	June 30, 2026	December 31, 2025	June 30, 2025
Share premium	$ 4,202,354	$ 4,202,354	$ 4,202,354
Difference between consideration and carrying amount of subsidiaries acquired or disposed	892,282	892,255	891,370
Recognition of changes in ownership interest in subsidiaries	7,975,180	8,176,402	8,003,946
Changes in associates and joint ventures accounted for under equity method	3,753,527	4,105,356	3,724,846
	$ 16,823,343	$ 17,376,367	$ 16,822,516

(21) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's profit after income tax, shall first be offset against prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. When such legal reserve amounts to the total authorized capital, the Company shall not be subject to this requirement. The Company may then appropriate or reverse a certain amount as special reserve according to the demand for the business or relevant regulations. After the distribution of earnings, the remaining earnings and prior years' undistributed earnings may be appropriated according to a resolution of the Board of Directors adopted in the shareholders' meeting.

B. The dividend policies of the Company are as follows: Considering the rapid changing industrial environment the Company faces, long-term financial plan and the satisfaction of the demand for cash by the shareholders, the Company should distribute cash dividends of not less than 10% of the total dividends declared each year.

C. Except for covering accumulated deficit, increasing capital or payment of cash in proportion to ownership percentage, the legal reserve shall not be used for any other purpose. The amount capitalized or the cash payment shall be limited to the portion of legal reserve which exceeds 25% of the paid-in capital.

D. (A) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the end of the financial reporting period before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(B) The amounts previously set aside by the Company as special reserve on initial application of IFRSs, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

E. As resolved by the shareholders on May 28, 2025, the Company distributed cash dividends to owners amounting to $25,253,849 ($34 (in dollars) per share) for the appropriation of 2024 earnings. On May 29, 2026, the Company distributed cash dividends to owners amounting to $31,195,932 ($42 (in dollars) per share) for the appropriation of 2025 earnings.

(22) Other equity

	Gains (losses) on hedging instruments	Unrealized gains (losses) on valuation of financial assets at fair value through other comprehensive income	Financial statements translation differences of foreign operations	Remeasurement of defined benefit plans	Total
January 1, 2026	($ 183,066)	$ 40,061,332	$ 1,669,551	($ 58,771)	$ 41,489,046
-The Company	-	31,120,509	1,191,112	-	32,311,621
-Subsidiaries	732,961	2,095,934	717,264	(1,120)	3,545,039
-Associates	-	220,071	(112,005)	(92)	107,974
June 30, 2026	$ 549,895	$ 73,497,846	$ 3,465,922	($ 59,983)	$ 77,453,680

	Gains (losses) on hedging instruments	Unrealized gains (losses) on valuation of financial assets at fair value through other comprehensive income	Financial statements translation differences of foreign operations	Remeasurement of defined benefit plans	Total
January 1, 2025	$ 755,766	$ 56,823,384	$ 5,155,882	($ 35,340)	$ 62,699,692
-The Company	-	(7,643,453)	(11,058,255)	-	(18,701,708)
-Subsidiaries	(1,974,098)	(313,367)	509,036	-	(1,778,429)
-Associates	-	(52,747)	(2,170,575)	-	(2,223,322)
June 30, 2025	($ 1,218,332)	$ 48,813,817	($ 7,563,912)	($ 35,340)	$ 39,996,233

(23) Operating revenue

	Three Months Ended	
	June 30, 2026	June 30, 2025
Revenue from contracts with customers	$ 257,731,987	$ 188,006,262

	Six Months Ended	
	June 30, 2026	June 30, 2025
Revenue from contracts with customers	$ 466,101,713	$ 335,699,473

A. Disaggregation of revenue from contracts with customers

The Group's revenue is derived from the transfer of goods and services over time and at a point in time in the following major product lines:

Three months ended June 30, 2026	3C products	Others	Total
Revenue from contracts with customers	$ 254,253,189	$ 3,478,798	$ 257,731,987
Timing of revenue recognition			
Revenue recognized at a point in time	$ 254,053,943	$ 3,307,350	$ 257,361,293
Revenue recognized over time	199,246	171,448	370,694
	$ 254,253,189	$ 3,478,798	$ 257,731,987

Three months ended June 30, 2025	3C products	Others	Total
Revenue from contracts with customers	$ 185,610,191	$ 2,396,071	$ 188,006,262
Timing of revenue recognition			
Revenue recognized at a point in time	$ 185,385,543	$ 2,182,062	$ 187,567,605
Revenue recognized over time	224,648	214,009	438,657
	$ 185,610,191	$ 2,396,071	$ 188,006,262

Six months ended June 30, 2026	3C products	Others	Total
Revenue from contracts with customers	$ 459,716,226	$ 6,385,487	$ 466,101,713
Timing of revenue recognition			
Revenue recognized at a point in time	$ 459,256,233	$ 5,695,310	$ 464,951,543
Revenue recognized over time	459,993	690,177	1,150,170
	$ 459,716,226	$ 6,385,487	$ 466,101,713

Six months ended June 30, 2025	3C products	Others	Total
Revenue from contracts with customers	$ 329,058,691	$ 6,640,782	$ 335,699,473
Timing of revenue recognition			
Revenue recognized at a point in time	$ 328,671,572	$ 6,197,732	$ 334,869,304
Revenue recognized over time	387,119	443,050	830,169
	$ 329,058,691	$ 6,640,782	$ 335,699,473

B. Contract liabilities

(A) The amounts of recognized contract liabilities related to the contract revenue from sales, warranty and royalty of the Group are $6,894,911, $7,318,522, $4,212,791, and $3,698,809 as of June 30, 2026, December 31, 2025, June 30, 2025, and January 1, 2025, respectively.

(B) The revenue recognized from the beginning balance of contract liabilities amounted to $361,724, $826,773, $4,559,357 and $1,881,439 for the three months ended June 30, 2026 and 2025, and for the six months ended June 30, 2026 and 2025, respectively.

(24) Other income

	Three Months Ended	
	June 30, 2026	June 30, 2025
Rent income	$ 70,260	$ 59,835
Dividend income	1,854,660	2,061,134
	$ 1,924,920	$ 2,120,969

	Six Months Ended	
	June 30, 2026	June 30, 2025
Rent income	$ 140,134	$ 117,298
Dividend income	1,865,261	2,075,447
	$ 2,005,395	$ 2,192,745

(25) Other (losses) gains

	Three Months Ended	
	June 30, 2026	June 30, 2025
Net currency exchange gains (losses)	$ 886,251	$ 2,453,972
Net gains (losses) on derivative financial instruments	355,617	(2,277,575)
Net gains (losses) on non-derivative financial instruments	(13,269)	79,856
Others	34,709	10,092
	$ 1,263,308	$ 266,345

	Six Months Ended	
	June 30, 2026	June 30, 2025
Net currency exchange gains (losses)	$ 611,271	$ 4,415,315
Net gains (losses) on derivative financial instruments	438,329	(2,703,046)
Net gains (losses) on non-derivative financial instruments	300,725	156,758
Others	61,173	201,410
	$ 1,411,498	$ 2,070,437

(26) Costs and expenses by nature

	Three Months Ended					
	June 30, 2026			June 30, 2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses	$ 1,332,128	$12,240,622	$13,572,750	$ 1,050,688	$ 8,736,209	$ 9,786,897
Depreciation	137,965	402,732	540,697	144,042	387,354	531,396
Amortization	10,213	313,531	323,744	5,603	180,527	186,130

	Six Months Ended					
	June 30, 2026			June 30, 2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses	$ 2,498,980	$22,447,791	$24,946,771	$ 2,146,067	$18,168,103	$20,314,170
Depreciation	276,391	805,170	1,081,561	291,334	787,445	1,078,779
Amortization	16,796	563,945	580,741	10,698	357,814	368,512

(27) Employee benefit expenses

	Three Months Ended	
	June 30, 2026	June 30, 2025
Wages and salaries	$ 12,111,853	$ 8,551,793
Labor and health insurance	622,901	537,408
Pension (Note)	451,492	391,771
Other personnel expenses	386,504	305,925
	$ 13,572,750	$ 9,786,897

	Six Months Ended	
	June 30, 2026	June 30, 2025
Wages and salaries	$ 22,001,679	$ 17,740,499
Labor and health insurance	1,303,679	1,179,074
Pension (Note)	895,590	805,455
Other personnel expenses	745,823	589,142
	$ 24,946,771	$ 20,314,170

Note: Includes the pension expense under the defined contribution plan and defined benefit plan.

A. According to the Articles of Incorporation of the Company, the current year's profit shall be used first to cover accumulated deficit, if any, and then the remaining balance shall be distributed as follows: no less than 1% as employees' compensation, and no more than 1% as directors' remuneration. At least 20% of the employees' compensation shall be reserved for rank-and-file employees.

B. For the three months ended June 30, 2026 and 2025, and for the six months ended June 30, 2026 and 2025, employees' compensation were accrued at $1,313,830, $636,409, $1,991,714, and $1,511,903, respectively; directors' remuneration were accrued at $69,149, $33,495, $104,827, and $79,574, respectively. The aforementioned amounts were recognized in salary expense.

According to the Articles of Incorporation of the Company, the current year's profit shall be used first to cover accumulated deficit, if any, and then the remaining balance shall be distributed as follows: no less than 1% as employees' compensation, and no more than 1% as directors' remuneration.

Employees' compensation and directors' remuneration amounting to $2,883,725 and $151,775, respectively, for 2025 as resolved by the Board of Directors during its meeting were in agreement with those amounts recognized in the 2025 financial statements. As of May 12, 2026, the employees' compensation and directors' remuneration of the Company for 2025 have not yet been distributed. Related information shall be inquired at the Market Observation Post System website.

(28) Income tax

A. Income tax expenses

(A) Components of income tax expense:

	Three Months Ended	
	June 30, 2026	June 30, 2025
Current income tax:		
Income tax expense	$ 5,919,765	$ 1,582,804

	Six Months Ended	
	June 30, 2026	June 30, 2025
Current income tax:		
Income tax expense	$ 8,622,569	$ 4,268,319

(B) The income tax relating to components of other comprehensive income is as follows:

	Three Months Ended	
	June 30, 2026	June 30, 2025
Changes in fair value of financial assets at fair value through other comprehensive income	$ 325,689	($ 1,701)
Currency translation differences	(62,634)	(3,032,208)
	$ 263,055	($ 3,033,909)

	Six Months Ended	
	June 30, 2026	June 30, 2025
Changes in fair value of financial assets at fair value through other comprehensive income	$ 303,149	($ 61,093)
Currency translation differences	458,591	(2,561,523)
Remeasurements of defined benefit plans	1,120	-
	$ 762,860	($ 2,622,616)

B. The Tax Authority has examined the Company's income tax returns through 2022. In addition, the Company has filed administrative remedies for the Company's 2018 income tax assessment

C. The Group has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

D. The current tax expense related to Pillar Two income taxes that the Group recognized for the three months ended June 30, 2026 and 2025, and for the six months ended June 30, 2026 and 2025 were $42,938, ($88,773), $86,359, and $313,215, respectively.

E. The Group's exposure to Pillar Two income tax arising from Pillar Two legislation is explained as follows:

   a. The Group falls within the scope of the Pillar Two Model Rules issued by the Organisation for Economic Co-operation and Development (OECD). Under these rules, the Group will be obligated to pay top-up tax in each jurisdiction based on the difference between the effective tax rate calculated under the Global Anti-Base Erosion (GloBE) rules and the minimum tax rate of 15%. The Pillar Two legislation has been enacted in Singapore, the jurisdiction where the Group's entities were incorporated, and became effective from January 1, 2025. While Pillar Two legislation has also been enacted in some other jurisdictions where the Group operates, an assessment indicates no material impact on the Group.

   b. Information about the Group exposure to Pillar Two income taxes arising from the Pillar Two legislation is provided in Note 6(28) in the 2025 consolidated financial statements. The Group will continue to evaluate the impact of this legislation on its future financial performance.

(29) Earnings per share

	Three Months Ended	
	June 30, 2026	June 30, 2025
Profit:		
Profit attributable to shareholders of the parent	$ 19,047,836	$ 9,805,690
Number of shares (shares in thousands):		
Weighted average number of shares outstanding - basic	742,760	742,760
Basic earnings per share (in dollars):		
Profit attributable to shareholders of the parent	$ 25.64	$ 13.20

	Three Months Ended	
	June 30, 2026	June 30, 2025
Profit:		
Profit attributable to shareholders of the parent	$ 19,047,836	$ 9,805,690
Number of shares (shares in thousands):		
Weighted average number of shares outstanding - basic	742,760	742,760
The effect of dilutive potential common shares - employees' compensation	2,845	2,347
Weighted average number of shares outstanding - diluted	745,605	745,107
Diluted earnings per share (in dollars):		
Profit attributable to shareholders of the parent	$ 25.55	$ 13.16

	Six Months Ended	
	June 30, 2026	June 30, 2025
Profit:		
Profit attributable to shareholders of the parent	$ 28,844,853	$ 22,596,287
Number of shares (shares in thousands):		
Weighted average number of shares outstanding - basic	742,760	742,760
Basic earnings per share (in dollars):		
Profit attributable to shareholders of the parent	$ 38.83	$ 30.42

	Six Months Ended	
	June 30, 2026	June 30, 2025
Profit:		
Profit attributable to shareholders of the parent	$ 28,844,853	$ 22,596,287
Number of shares (shares in thousands):		
Weighted average number of shares outstanding - basic	742,760	742,760
The effect of dilutive potential common shares - employees' compensation	5,170	3,750
Weighted average number of shares outstanding - diluted	747,930	746,510
Diluted earnings per share (in dollars):		
Profit attributable to shareholders of the parent	$ 38.57	$ 30.27

(30) Changes in liabilities arising from financing activities

			Non-cash changes		
	January 1, 2026	Cash flow	Foreign exchange changes	Others	June 30, 2026
Short-term borrowings	$ 29,681,710	$ 70,970,342	$ 89,640	$ -	$ 100,741,692
Long-term borrowings	366,030	(38,788)	(71)	15,536	342,707
Lease liabilities	1,721,764	(286,943)	14,552	189,692	1,639,065
	$ 31,769,504	$ 70,644,611	$ 104,121	$ 205,228	$ 102,723,464

			Non-cash changes		
	January 1, 2025	Cash flow	Foreign exchange changes	Others	June 30, 2025
Short-term borrowings	$ 25,200,887	($ 3,042,823)	($ 649,288)	$ -	$ 21,508,776
Long-term borrowings	461,642	(47,784)	-	-	413,858
Lease liabilities	1,774,308	(352,553)	(109,480)	239,264	1,551,539
	$ 27,436,837	($ 3,443,160)	($ 758,768)	$ 239,264	$ 23,474,173

(31) Business combinations

A. On April 30, 2026, the Group's subsidiary, AAEON, acquired 85.5% equity interest in AAEON TECHNOLOGY CORPORATION LIMITED (AAEONJP) for $272,192. Together with 14.5% equity interest originally held by AAEON, AAEON collectively held 100% equity interest in AAEONJP. Consequently, AAEONJP has been included as a consolidated entity starting from that date. The Group expects to jointly expand the scale of operations of both parties and enhance overall operating performance through the integration of corporate resources.

B. For the acquisition of AAEONJP, and the fair value of assets acquired and liabilities assumed on the acquisition date are as follows:

	April 30, 2026
Purchase consideration	
Cash paid	$ 272,192
Fair value of equity interest in AAEONJP held before the business combination	41,545
	313,737
Less: Fair value of the identifiable assets acquired and liabilities assumed	
Cash	190,121
Other current and non-current assets	183,350
Current and non-current liabilities	(111,361)
Subtotal	262,110
Goodwill	$ 51,627

C. As of June 30, 2026, the allocation of the purchase price for the acquisition of AAEONJP is still in process, and goodwill is preliminarily estimated at $51,627. The Group has hired experts to assess the fair value of the identifiable assets.

D. The operating revenue and profit before income tax since April 30, 2026 contributed by AAEONJP were $107,311 and $17,698, respectively. Had AAEONJP been consolidated from January 1, 2026, the operating revenue and profit before income tax of the Group would be $466,284,633 and $40,148,244, respectively.

E. On January 15, 2025, the Board of Directors of the Group's subsidiary, ASMEDIA, resolved to acquire 100% of the outstanding ordinary shares of TECHPOINT through a wholly-owned subsidiary, APEX MERGER SUB INC., at a price of US$20 (in dollars) per share, for a total transaction price amounting to $12,358,202 (US$384,726 thousand). On June 2, 2025, ASMEDIA had obtained control over TECHPOINT with TECHPOINT as the surviving company and APEX MERGER SUB INC. as the dissolved company. TECHPOINT is primarily engaged in the development of high-resolution image transmission technology of security cameras and in-vehicle infotainment systems. The Group expects to strengthen its position in such markets after the acquisition and also expects to reduce costs through economies of scale.

F. The consideration transferred by ASMEDIA, a subsidiary of the Group, for the acquisition of TECHPOINT, and the fair value of assets acquired and liabilities assumed on the acquisition date are as follows:

	June 2, 2025
Purchase consideration	$ 12,358,202
Less: Fair value of the identifiable assets acquired and liabilities	
Cash	2,190,569
Other current and non-current assets	602,202
Current and non-current liabilities	(953,376)
Subtotal	1,839,395
Acquired identifiable intangible assets - Technical know-how	890,182
Acquired identifiable intangible assets - Customer relationships	2,075,317
Goodwill	$ 7,553,308

G. The operating revenue and profit before income tax since June 2, 2025 contributed by TECHPOINT were $204,064 and $28,104, respectively. Had TECHPOINT been consolidated from January 1, 2025, the operating revenue and profit before income tax of the Group would be $336,532,613 and $28,587,335, respectively.

7. **RELATED PARTY TRANSACTIONS**

(1) Parent and ultimate controlling party

The Company's shares are widely held, so there is no ultimate parent or controlling party.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
ASUSTOR INC. (ASUSTOR)	Associate
IBASE TECHNOLOGY INC. (IBASE)	Associate
LITEMAX ELECTRONICS INC. (LITEMAX)	Associate
TECHMOSA INTERNATIONAL INC. (TECHMOSA)	Associate
MORRIHAN INTERNATIONAL CORP. (MORRIHAN)	Associate
NUVISION TECHNOLOGY, INC. (NUVISION)	Associate
WT MICROELECTRONICS CO., LTD. (WT)	Associate
WINMATE INC. (WINMATE)	Associate
PORTWELL INC. (PORTWELL)	Associate
IBASE SOLUTION CO., LTD. (IBASEGI)	Associate
LELTEK INC. (LELTEK)	Associate
UPI SEMICONDUCTOR CORP. (UPI)	Associate
IBASE (SHANGHAI) TECHNOLOGY INC. (IBASESH)	Associate
IMOZEN GROUP INC. (IMOZEN)	Associate
QSAN TECHNOLOGY INC. (QSAN)	Associate
PROTECTLIFE INTERNATIONAL BIOMEDICAL INC. (PROTECTLIFE)	Associate
AMERICAN PORTWELL TECHNOLOGY INC. (APT)	Associate
EUROPEAN PORTWELL TECHNOLOGY B.V. (EPT)	Associate
PORTWELL JAPAN INC. (PJI)	Associate
FUTURE ELECTRONICS INC. (FUTURE)	Associate
Others	Other related party

(3) Significant transactions and balances with related parties

A. Sales of goods

	Three Months Ended	
	June 30, 2026	June 30, 2025
Sales of goods		
-Associates	$ 360,821	$ 401,398
-Others	258	4,311
	$ 361,079	$ 405,709

	Six Months Ended	
	June 30, 2026	June 30, 2025
Sales of goods		
-Associates	$ 586,746	$ 746,052
-Others	2,105	7,320
	$ 588,851	$ 753,372

The collection periods of the Group to related parties are pay on delivery, open account 30 to 90 days and month-end 30 to 90 days or negotiated by both parties.

B. Purchases of goods and expenses

	Three Months Ended	
	June 30, 2026	June 30, 2025
Purchases of goods		
-Associates	$ 743,333	$ 846,331
-Others	8,964	34,794
Purchases of services and other expenditures		
-Associates	9,548	20,711
-Others	261	274
	$ 762,106	$ 902,110

	Six Months Ended	
	June 30, 2026	June 30, 2025
Purchases of goods		
-Associates	$ 1,496,197	$ 1,701,340
-Others	28,020	66,923
Purchases of services and other expenditures		
-Associates	17,322	30,629
-Others	17,925	14,536
	$ 1,559,464	$ 1,813,428

The payment term of related parties to the Group are month-end 30 to 120 days, current month-end 90 to 120 days and open account 120 days.

C. Trade receivables and other receivables

	June 30, 2026	December 31, 2025	June 30, 2025
Trade receivables			
-Associates	$ 124,195	$ 72,264	$ 126,867
-Others	1,236	448	12
	125,431	72,712	126,879
Other receivables			
-Associates			
-WT	1,488,024	-	1,147,945
-Others	94,181	371	97,727
-Others	15,725	212	5,989
	1,597,930	583	1,251,661
	$ 1,723,361	$ 73,295	$ 1,378,540

The trade receivables mainly arise from sales transactions, are unsecured in nature and bear no interest. The other receivables mainly pertain to dividend receivable and settlement receivable.

D. Trade payables and other items of current liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Trade payables			
-Associates	$ 1,222,152	$ 1,606,875	$ 1,209,690
-Others	25,170	49,271	52,522
	1,247,322	1,656,146	1,262,212
Other items of current liabilities			
-Associates	453,376	80,588	400,372
-Others	18,923	-	25,987
	472,299	80,588	426,359
	$ 1,719,621	$ 1,736,734	$ 1,688,571

The trade payables arise mainly from purchase transactions and bear no interest. The other items of current liabilities arise mainly from dividend payable.

(4) Key management compensation

	Three Months Ended	
	June 30, 2026	June 30, 2025
Salaries and other short-term employee benefits	$ 1,462,639	$ 742,914
Post-employment benefits	1,985	1,924
	$ 1,464,624	$ 744,838

	Six Months Ended	
	June 30, 2026	June 30, 2025
Salaries and other short-term employee benefits	$ 2,246,358	$ 1,731,799
Post-employment benefits	4,001	3,841
	$ 2,250,359	$ 1,735,640

8. PLEDGED ASSETS

		Book Value			
Pledged assets	Items	June 30, 2026	December 31, 2025	June 30, 2025	Purpose
Other current assets and other non-current assets	Pledged restricted deposits and refundable deposits	$ 3,303,081	$ 2,850,071	$ 2,213,011	Note
Property, plant and equipment	Land, buildings, machinery and miscellaneous equipment	688,378	683,570	671,104	Bank loans, financing, credit limits and other short-term borrowings
Financial assets at amortized cost	Pledged restricted deposits	262,441	672,233	141,540	Bank loans, lodgment for security decided by court, project and contract deposit
Fair value through profit or loss-current	Listed and OTC stocks	538	–	–	Lawsuit
		$ 4,254,438	$ 4,205,874	$ 3,025,655	

Note: Pledged for customs duties, lodgment for security decided by court, letter of credit, foreign exchange forward transactions, account for social security, security deposit for office and warehouse, project and contract deposit and bank loans, etc.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingencies

Lawsuits for infringement of intellectual property rights

A. The Group's various products with backlight displays, LTE-enabled mobile phone products, Flip series and other computers with reversible screens, personal computers, and mobile phone products have been subject to patent infringement lawsuits or investigations in the United States, Japan and the Netherlands. Although the ultimate outcome cannot presently be determined, the Group has accrued the estimated loss arising from these matters.

B. The Group's mobile phone products incorporating LEDs, various products using processors with LVDS technology, products supporting DisplayPort/embedded DisplayPort, various products with backlight displays, notebooks using Panjit MOSFETs, Flip series and other computers with reversible screens, product portfolios consisting of routers and notebooks, products featuring 802.11ax (Wi-Fi 6/6E), Wake on Wireless LAN (WoWLAN) technology, touchpad diagonal scrolling functionality, or hinge structures that allow notebook screens to rotate 360 degrees, products using Windows 10/11 and supporting Windows Search Bar/Windows Search functionality, products supporting the Qi wireless charging standard, routers and notebooks compatible with the 802.11ac standard, products supporting H.265, products supporting 5G mobile communications, display products with backlight modules, products equipped with Intel AX201 or AX211 Wi-Fi modules, mobile phone products, Type-C expansion modules, computer products involving DRAM system operating frequencies, notebook-related products supporting TPM functionality, notebook products, power adapters for notebook products, power adapters for mobile phone products, Wi-Fi 6 products, Wi-Fi 7 products, Wi-Fi 8 products, Wi-Fi networking products, USB-C docking station products, networking products supporting 802.11ax multicast functionality, ROG Ally X, mobile phone and tablet products pre-installed with Google Maps, and dual-screen notebook computers have been subject to patent infringement lawsuits or investigations in Taiwan, the United States, Japan, Brazil, Italy, Germany, Portugal and China. The Group cannot presently determine the ultimate outcome or the potential impact of these matters.

(2) Commitments

A. On January 15, 2025, the Board of Directors of the subsidiary, ASMEDIA, approved the acquire of the Baoyuan Section property in Xindian District. The sale agreement was formally executed on February 6, 2025, for a total consideration of $1,875,940. As of June 30, 2026, consideration amounting to $346,756 had been paid in accordance with the terms of the agreement.

B. On November 11, 2025, the Company’s board of directors approved the Innovation-Industry Base self-construction project of the subsidiary, ACSH, a subsidiary. The estimated total budget for this project is 320 million Chinese Yuan (approximately 1.37 billion New Taiwan Dollars). As of June 30, 2026, the contract payments totaled $102,151 and are recorded under construction in progress.

10. **SIGNIFICANT DISASTER LOSS**

None.

11. **SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL REPORTING PERIOD**

On August 12, 2026, the Board of Directors of the Company approved the issuance of the Company's second unsecured overseas convertible bonds and first unsecured overseas exchangeable bonds, with the total issuance amounts not to exceed US$1.5 billion and US$1 billion, respectively.

12. **OTHERS**

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the liability ratio. This ratio is calculated as total liabilities by total assets. Total liabilities calculated as "current liabilities plus non-current liabilities" are shown in the consolidated balance sheets.

During 2026, the Group's strategy was to maintain the liability ratio within reasonable security range, which was unchanged from 2025. The liability ratios are as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Total liabilities	$ 538,556,270	$ 334,093,522	$ 299,881,174
Total assets	$ 868,541,957	$ 631,656,719	$ 568,612,888
Liability ratio	62.01%	52.89%	52.74%

(2) Financial instruments

A. Financial instruments by category

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets			
Financial assets at fair value through profit or loss			
Financial assets mandatorily measured at fair value through profit or loss	$ 3,289,225	$ 2,581,256	$ 1,993,960
Financial assets at fair value through other comprehensive income			
Designation of equity instruments	101,750,897	68,040,729	76,595,975
Qualified debt instruments	5,600,404	5,034,504	2,906,542
Financial assets at amortized cost			
Cash and cash equivalents	86,156,490	90,078,729	93,006,825
Financial assets at amortized cost	2,863,517	6,815,594	8,558,804
Notes receivable	15,687,070	5,462,514	11,579,415
Trade receivables	163,671,053	133,864,332	115,055,060
Other receivables	3,997,307	1,130,391	4,168,404
Refundable deposits	3,650,897	3,192,343	2,665,864
Derivative financial assets for hedging	646,413	67,310	13,906
	$ 387,313,273	$ 316,267,702	$ 316,544,755

	June 30, 2026	December 31, 2025	June 30, 2025
Financial liabilities			
Financial liabilities at fair value through profit or loss			
Financial liabilities held for trading	$ 172,522	$ 404,581	$ 853,682
Financial liabilities at amortized cost			
Short-term borrowings	100,741,692	29,681,710	21,508,776
Notes and trade payables	206,409,257	119,583,720	96,077,903
Dividends payable	33,665,006	-	27,268,171
Other payables - accrued expenses	51,095,755	51,792,676	42,386,001
Long-term borrowings (including current portion)	342,707	366,030	413,858
Deposits received	1,232,647	1,326,233	952,105
Lease liabilities	1,639,065	1,721,764	1,551,539
Derivative financial liabilities for hedging	12,573	166,431	1,148,293
	$ 395,311,224	$ 205,043,145	$ 192,160,328

B. Financial risk management policies

(A) The Group's operating activities expose the Group to a variety of financial risks, including market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts, currency option contracts and currency swap contracts are used to hedge certain exchange rate risk, and derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

(B) The Group's key financial plans are all reviewed by the Board of Directors under the related principles and internal control system. When executing the financial plans, the Group's treasury departments will follow the financial operating procedures in accordance with the overall financial risk management and proper segregation of duties.

(C) Information about derivative financial instruments that are used to hedge financial risk are provided in Notes 6(2) and (5).

C. Nature and degree of significant financial risks

(A) Market risk

Foreign exchange risk

a. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, EUR and CNY. Foreign exchange risk arises from future commercial transactions, recognized as assets and liabilities.

b. The management has set up the policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group's treasury. Exchange rate risk is measured through a forecast of highly probable USD, EUR and CNY expenditures. Forward foreign exchange contracts are adopted to minimize the volatility of the exchange rate affecting recognition of revenue of forecast sale.

c. The Group hedges foreign exchange rate by using forward exchange contracts, currency option contracts and currency swap contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).

d. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

e. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency is NTD; other certain subsidiaries' functional currency is USD, EUR, CNY, etc.). Non-monetary items are assessed to have no significant impact on the Group. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	June 30, 2026					
				Sensitivity Analysis		
	Foreign currency amount (in dollars)	Exchange rate	Book value (NTD)	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 4,864,236,544	31.850	$154,925,934	1%	$1,549,259	$ -
EUR:USD	438,619,045	36.290	15,917,437	1%	159,174	-
CNH:USD	4,190,128,676	4.692	19,658,010	1%	196,580	-
Financial liabilities						
Monetary items						
USD:NTD	10,711,479,836	31.850	341,160,633	1%	3,411,606	-
EUR:USD	112,828,803	36.290	4,094,545	1%	40,945	-
CNH:USD	4,883,001,942	4.692	22,908,628	1%	229,086	-

	December 31, 2025					
				Sensitivity Analysis		
	Foreign currency amount (in dollars)	Exchange rate	Book value (NTD)	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 4,679,677,356	31.430	$147,082,259	1%	$1,470,823	$ -
EUR:USD	416,864,807	36.899	15,381,819	1%	153,818	-
CNH:USD	2,280,792,255	4.494	10,250,998	1%	102,510	-
Financial liabilities						
Monetary items						
USD:NTD	6,307,242,592	31.430	198,236,635	1%	1,982,366	-
EUR:USD	121,237,018	36.899	4,473,503	1%	44,735	-
CNH:USD	4,104,697,044	4.494	18,448,520	1%	184,485	-

	June 30, 2025					
				Sensitivity Analysis		
	Foreign currency amount (in dollars)	Exchange rate	Book value (NTD)	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 4,452,714,699	29.300	$130,464,541	1%	$1,304,645	$ -
EUR:USD	363,370,338	34.351	12,482,251	1%	124,823	-
CNH:USD	5,242,746,796	4.090	21,444,302	1%	214,443	-
Financial liabilities						
Monetary items						
USD:NTD	5,646,090,820	29.300	165,430,461	1%	1,654,305	-
EUR:USD	106,089,626	34.351	3,644,319	1%	36,443	-
CNH:USD	4,610,860,789	4.090	18,859,712	1%	188,597	-

f. Net currency exchange (losses) gains arising from foreign exchange variation on the monetary items held by the Group for the three months ended June 30, 2026 and 2025, and for the six months ended June 30, 2026 and 2025 amounted to $886,251, $2,453,972, $611,271, and $4,415,315, respectively.

Price risk

a. The Group's equity instruments, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity instruments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

b. The Group mainly invests in equity instruments comprised of shares and open-end funds issued by the domestic companies. The value of equity instruments are susceptible to market price risk arising from uncertainties about future performance of equity markets. Assuming a hypothetical increase of 1% in the price of the aforementioned financial assets at fair value through profit or loss while the other conditions remain unchanged could increase the Group's non-operating revenue for the six months ended June 30, 2026 and 2025 by $12,663 and $8,195, respectively. A change of 1% in the price of the aforementioned financial assets at fair value through other comprehensive income could increase the Group's other comprehensive income for the six months ended June 30, 2026 and 2025 by $1,017,509 and $765,960, respectively.

Cash flow and fair value interest rate risk

a. The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates which expose the Group to cash flow interest rate risk but is partially offset by cash and cash equivalents held at variable rates. During the six months ended June 30, 2026 and 2025, the Group's borrowings at variable rates were denominated in USD, CNH and NTD.
b. If interest rates on borrowings had been 1% higher with all other variables held constant, non-operating expenses for the six months ended June 30, 2026 and 2025 would have been $505,422 and $109,613 higher, respectively, mainly as a result of higher interest expense on floating rate borrowings.

(B) Credit risk

a. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is contract cash flows of counterparties could not repay in full the accounts receivable based on the agreed terms, financial assets at amortized cost and financial assets at fair value through other comprehensive income.
b. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of "A" class above as evaluated by an independent party are accepted as counterparties. According to the Group's credit policy, each operating entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors, and the utilization of credit limits is regularly monitored.

c. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

d. The Group adopts the assumption under IFRS 9, that is, for most operating entities, the default occurs when the contract payments are past due over 90 days. For some subsidiaries, based on the local trading conditions and historical experience, the default occurs when the contract payments are past due over 180 days.

e. The Group classifies customer's accounts receivable in accordance with customer types. The Group applies the simplified approach using the provision matrix and loss rate method to estimate expected credit loss.

f. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(a) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(b) The disappearance of an active market for that financial asset because of financial difficulties;

(c) Default or delinquency in interest or principal repayments;

(d) Adverse changes in national or regional economic conditions that are expected to cause a default.

(e) The internal or external credit rating of the instrument is "in default".

(f) The condition which met the breach of contract by the debtor or others was assessed case-by-case.

g. The Group writes off the financial assets, which cannot reasonably be expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On June 30, 2026, December 31, 2025 and June 30, 2025, the Group has no written-off financial assets that are still under recourse procedures.

h. The Group conducts an assessment of expected credit risk for all recorded accounts receivable based on the following situations:

(a) Excellent credit quality group: The expected loss rate for the excellent credit quality clients is 0.00% ~ 0.2%, and the total carrying amount of notes and trade receivables amounted to $3,590,442, $2,172,255 and $3,595,400 and loss allowance amounted to $460, $260 and $460 as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively.

(b) General group: The Group refers to the forecast ability of global economic indicators to adjust the loss rate which is based on historical and current information when assessing the future default possibility of notes receivable and trade receivables. The provision matrix as of June 30, 2026, December 31, 2025 and June 30, 2025 is as follows:

June 30, 2026	Not past due	Less than 30 days past due	Between 31 and 60 days past due	Between 61 and 90 days past due	Between 91 and 180 days past due	More than 181 days past due	Total
Total book value	$ 156,775,227	$ 15,216,413	$ 2,252,281	$ 958,704	$ 1,100,136	$ 3,193,992	$ 179,496,753
Loss allowance	$ 42,572	$ 24,895	$ 236,670	$ 137,289	$ 439,401	$ 2,847,785	$ 3,728,612
Expected loss rate	0.00%~8.62%	0.00%~19.8%	0.00%~37.17%	0.00%~91.72%	10%~100%	10%~100%	

December 31, 2025	Not past due	Less than 30 days past due	Between 31 and 60 days past due	Between 61 and 90 days past due	Between 91 and 180 days past due	More than 181 days past due	Total
Total book value	$ 116,752,070	$ 15,589,870	$ 3,460,160	$ 1,354,863	$ 944,155	$ 2,560,244	$ 140,661,362
Loss allowance	$ 21,789	$ 12,051	$ 286,252	$ 158,775	$ 557,564	$ 2,470,080	$ 3,506,511
Expected loss rate	0.00%~8.62%	0.00%~16.88%	0.00%~30.13%	0.00%~91.72%	10%~100%	10%~100%	

June 30, 2025	Not past due	Less than 30 days past due	Between 31 and 60 days past due	Between 61 and 90 days past due	Between 91 and 180 days past due	More than 181 days past due	Total
Total book value	$ 109,378,127	$ 10,895,377	$ 1,823,940	$ 865,220	$ 726,616	$ 2,259,742	$ 125,949,022
Loss allowance	$ 18,679	$ 6,958	$ 324,300	$ 90,311	$ 333,380	$ 2,135,859	$ 2,909,487
Expected loss rate	0.00%~4.16%	0.00%~19.43%	0.00%~40.90%	0.00%~54.97%	10%~100%	10%~100%	

(c) Higher risk group: Based on historical experience, the Group uses individual assessments to calculate expected credit losses for customers with higher credit risk. As of June 30, 2026, December 31, 2025 and June 30, 2025, the total value of accounts receivable amounted to $446,470, $320,724 and $298,292, respectively, with allowance for losses of $446,470, $320,724 and $298,292, respectively.

i. Movements in relation to the Group's loss allowance for notes and trade receivables are as follows:

	2026	2025
January 1	$ 3,827,495	$ 8,777,044
Recognition (reversal)	379,088	(5,085,922)
Write-offs	(26,132)	(5,022)
Effects due to changes in consolidated entities	113	-
Net exchange differences	(5,022)	(477,861)
June 30	$ 4,175,542	$ 3,208,239

For provisioned loss for the six months ended June 30, 2026 and 2025, the net impairment loss and gain arising from customer's contract were $379,088 and ($5,085,922), respectively.

j. The Group's analysis on credit quality and expected credit loss of debt instruments investment.

The objective of the Group's investment policy is to achieve a return under the requirements of principal preservation and liquidity supports. The policy requires to set upper limits of exposure to credit risk of each debt instruments' issuer. The Group assesses whether there has been a significant increase in credit risk in the debt instrument investment since initial recognition according to financial market conditions, the changes in external credit ratings and material information of the debt instruments' issuers.

The Group regularly monitors, reviews and adjusts the limits according to market conditions and the credit standing of the counterparties.

The Group assesses the 12 months expected credit loss and lifetime expected credit loss based on the probability of default and default loss provided by external credit rating agencies. The current credit risk assessment mechanism of the Group is as follows:

Credit rating	Definition	Basis for recognizing expected credit loss
Stage 1	Financial assets with no significant increase in credit risk since initial recognition or low credit risk at the balance sheet date	12 months expected credit loss
Stage 2	Financial assets with significant increase in credit risk since initial recognition	Lifetime expected credit loss

k. Movements in loss allowance for investments in debt instruments at fair value through other comprehensive income of the Group are as follows:

	2026		2025	
	12 months expected credit loss	Lifetime expected credit loss	12 months expected credit loss	Lifetime expected credit loss
January 1	$ 1,037	$ -	$ 1,108	$ -
Reversal	(41)	-	(28)	-
Net exchange differences	13	-	(116)	-
June 30	$ 1,009	$ -	$ 964	$ -

l. Movements in loss allowance for investments in debt instruments carried at amortized cost of the Group are as follows:

	2026		2025	
	12 months expected credit loss	Lifetime expected credit loss	12 months expected credit loss	Lifetime expected credit loss
January 1	$ 3,823	$ -	$ 30,478	$ -
Reversal	(125)	-	(8,097)	-
Disposal	(2,163)	-	(13,142)	-
Net exchange differences	34	-	(1,534)	-
June 30	$ 1,569	$ -	$ 7,705	$ -

m. For investments in financial assets at amortized cost and financial assets at fair value through other comprehensive income of the Group, the credit rating levels are as follows:

	June 30, 2026		
	12 months expected credit loss	Lifetime expected credit loss	Total
Financial assets at amortized cost			
Time deposits	$ 878,535	$ -	$ 878,535
Restricted deposit	262,441	-	262,441
Corporate bonds			
Internal rating - Stage 1	1,724,110	-	1,724,110
Total book value	2,865,086	-	2,865,086
Loss allowance	(1,569)	-	(1,569)
	$ 2,863,517	$ -	$ 2,863,517
Financial assets at fair value through other comprehensive income			
Corporate bonds and government bonds			
Internal rating - Stage 1	$ 5,601,413	$ -	$ 5,601,413
Loss allowance	(1,009)	-	(1,009)
	$ 5,600,404	$ -	$ 5,600,404

	December 31, 2025		
	12 months expected credit loss	Lifetime expected credit loss	Total
Financial assets at amortized cost			
Time deposits	$ 1,541,022	$ -	$ 1,541,022
Restricted deposit	699,984	-	699,984
Corporate bonds			
Internal rating - Stage 1	4,578,411	-	4,578,411
Total book value	6,819,417	-	6,819,417
Loss allowance	(3,823)	-	(3,823)
	$ 6,815,594	$ -	$ 6,815,594
Financial assets at fair value through other comprehensive income			
Corporate bonds and government bonds			
Internal rating - Stage 1	$ 5,035,541	$ -	$ 5,035,541
Loss allowance	(1,037)	-	(1,037)
	$ 5,034,504	$ -	$ 5,034,504

	June 30, 2025		
	12 months expected credit loss	Lifetime expected credit loss	Total
Financial assets at amortized cost			
Time deposits	$ 805,757	$ -	$ 805,757
Restricted deposit	186,875	-	186,875
Corporate bonds			
Internal rating - Stage 1	7,573,877	-	7,573,877
Total book value	8,566,509	-	8,566,509
Loss allowance	(7,705)	-	(7,705)
	$ 8,558,804	$ -	$ 8,558,804
Financial assets at fair value through other comprehensive income			
Corporate bonds			
Internal rating - Stage 1	$ 2,907,506	$ -	$ 2,907,506
Loss allowance	(964)	-	(964)
	$ 2,906,542	$ -	$ 2,906,542

The Group's financial assets at amortized cost are time deposits with an original due date of more than three months, restricted deposit and various corporate bonds, financial assets at fair value through other comprehensive income are corporate bonds and government bonds, and there is no significant abnormality in credit risk assessment.

(C) Liquidity risk

a. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group treasury. The Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's cash flow plans and compliance with internal balance sheet ratio targets.

b. The Group treasury invests surplus cash in demand deposits, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As of June 30, 2026, December 31, 2025 and June 30, 2025, the Group held financial assets at fair value through profit or loss of $848,222, $823,408 and $1,316,918, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

c. The table below analyses the Group's non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the financial reporting period to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	June 30, 2026				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
Non-derivative financial liabilities:					
Short-term borrowings	$100,741,692	$ -	$ -	$ -	$100,741,692
Notes and trade payables	206,409,257	-	-	-	206,409,257
Dividends payable	33,665,006	-	-	-	33,665,006
Other payables - accrued expenses	51,095,755	-	-	-	51,095,755
Lease liabilities	611,905	413,631	260,792	525,769	1,812,097
Long-term borrowings (including current portion)	75,046	171,176	11,370	85,115	342,707
Other financial liabilities	2,215,138	-	-	-	2,215,138
Derivative financial liabilities:					
Forward exchange contracts	182,351	-	-	-	182,351
Currency option contracts	2,744	-	-	-	2,744

	December 31, 2025				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
Non-derivative financial liabilities:					
Short-term borrowings	$ 29,681,710	$ -	$ -	$ -	$ 29,681,710
Notes and trade payables	119,583,720	-	-	-	119,583,720
Other payables - accrued expenses	51,792,676	-	-	-	51,792,676
Lease liabilities	561,103	424,841	304,344	623,243	1,913,531
Long-term borrowings (including current portion)	72,907	191,039	11,253	90,831	366,030
Other financial liabilities	2,224,540	-	-	-	2,224,540
Derivative financial liabilities:					
Forward exchange contracts	440,926	-	-	-	440,926
Currency option contracts	130,086	-	-	-	130,086

	June 30, 2025				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
Non-derivative financial liabilities:					
Short-term borrowings	$ 21,508,776	$ -	$ -	$ -	$ 21,508,776
Notes and trade payables	96,077,903	-	-	-	96,077,903
Dividends payable	27,268,171	-	-	-	27,268,171
Other payables - accrued expenses	42,386,001	-	-	-	42,386,001
Lease liabilities	497,786	379,397	245,464	614,463	1,737,110
Long-term borrowings (including current portion)	85,300	70,930	71,143	186,485	413,858
Other financial liabilities	1,380,986	-	-	-	1,380,986
Derivative financial liabilities:					
Forward exchange contracts	1,961,101	-	-	-	1,961,101
Currency option contracts	29,076	-	-	-	29,076
Currency swap contracts	11,798	-	-	-	11,798

d. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis to be significantly earlier, nor expect the actual cash flow amount to be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

(A) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, financial assets at amortized cost – current and non- current (time deposits with an original due date of more than three months and restricted deposit), notes and trade receivables, other receivables, refundable deposits, short-term borrowings, notes and trade payables, other payables - accrued expenses, other current liabilities, current portion of long-term borrowings, long-term borrowings, guarantee deposits received, lease liabilities, are reasonably approximate to the fair values.

	June 30, 2026			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets:				
Financial assets at amortized cost - current				
Corporate bonds	$ 1,722,541	$ -	$ 1,717,384	$ -

	December 31, 2025			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets:				
Financial assets at amortized cost - current				
Corporate bonds	$ 4,574,588	$ -	$ 4,535,674	$ -

	June 30, 2025			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets:				
Financial assets at amortized cost - current				
Corporate bonds	$ 5,711,285	$ -	$ 5,645,514	$ -
Financial assets at amortized cost - non-current				
Corporate bonds	$ 1,854,887	$ -	$ 1,805,986	$ -

(B) The fair values of corporate bonds are determined by quoted market prices provided by third party pricing services.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(A) The related information about the nature of the assets and liabilities is as follows:

	June 30, 2026			
	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity instruments	$ 1,003,111	$ -	$ 263,221	$ 1,266,332
Beneficiary certificates	1,002,653	14,476	143,606	1,160,735
Derivative	-	381,721	-	381,721
Hybrid instruments	114,500	-	365,937	480,437
Derivative financial assets for hedging	-	646,413	-	646,413
Financial assets at fair value through other comprehensive income				
Equity instruments	100,826,774	532,128	391,995	101,750,897
Debt instruments	2,424,628	3,175,776	-	5,600,404
	$105,371,666	$ 4,750,514	$ 1,164,759	$111,286,939
Liabilities:				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative	$ -	$ 172,522	$ -	$ 172,522
Derivative financial liabilities for hedging	-	12,573	-	12,573
	$ -	$ 185,095	$ -	$ 185,095

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity instruments	$ 761,082	$ 6,900	$ 200,844	$ 968,826
Beneficiary certificates	973,547	14,789	142,358	1,130,694
Derivative	-	18,223	-	18,223
Hybrid instruments	105,000	-	358,513	463,513
Derivative financial assets for hedging	-	67,310	-	67,310
Financial assets at fair value through other comprehensive income				
Equity instruments	67,382,823	385,287	272,619	68,040,729
Debt instruments	1,851,285	3,183,219	-	5,034,504
	$ 71,073,737	$ 3,675,728	$ 974,334	$ 75,723,799

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative	$ -	$ 404,581	$ -	$ 404,581
Derivative financial liabilities for hedging	-	166,431	-	166,431
	$ -	$ 571,012	$ -	$ 571,012

	June 30, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity instruments	$ 709,492	$ 5,772	$ 104,230	$ 819,494
Beneficiary certificates	652,733	15,097	66,390	734,220
Derivative	-	12,431	-	12,431
Hybrid instruments	101,000	-	326,815	427,815
Derivative financial assets for hedging	-	13,906	-	13,906
Financial assets at fair value through other comprehensive income				
Equity instruments	75,905,968	263,484	426,523	76,595,975
Debt instruments	-	2,906,542	-	2,906,542
	$ 77,369,193	$ 3,217,232	$ 923,958	$ 81,510,383
Liabilities:				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative	$ -	$ 853,682	$ -	$ 853,682
Derivative financial liabilities for hedging	-	1,148,293	-	1,148,293
	$ -	$ 2,001,975	$ -	$ 2,001,975

(B) The methods and assumptions the Group used to measure fair value are as follows:

a. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed and OTC stocks	Open-end fund	Convertible bonds	Government bonds
Market quoted price	Closing price	Net asset value	Closing price	Transaction price

b. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the financial reporting date.

c. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitized instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions.

d. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts, currency option contracts and currency swap contracts are usually valued based on the current forward exchange rate.

e. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheets. The pricing and inputs information used during valuation are carefully assessed and adjusted based on current market conditions.

D. As ALLIED BIOTECH CORP. has been listed as an OTC stock since June 17, 2026, and the trading volume in the market steadily increased from January 1 to June 30, 2026, resulting in sufficient observable market information can be accessed, the Group transferred the fair value measurement used from Level 2 to Level 1 at the end of the month in which the event occurred.

E. The movement of financial and non-financial instruments measured at fair value by Level 3 is as follows:

	Beneficiary certificates, Equity instruments and Hybrid instruments	
	2026	2025
January 1	$ 974,334	$ 784,485
Acquisitions	194,524	59,940
Disposal	(87,023)	-
Recognition in profit (loss) (Note 1)	75,243	(13,219)
Recognition in other comprehensive (loss) income (Note 2)	(38)	186,917
Reclassifications	(10,832)	(61,200)
Foreign exchange changes	18,551	(32,965)
June 30	$ 1,164,759	$ 923,958

Note 1: Recorded as other gains (losses).

Note 2: Recorded as unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income.

F. The investment segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the source of information is independent, reliable and in line with other resources and any other necessary adjustments to the fair value.

The investment segment cooperatively set up valuation policies, valuation processes and rules for measuring fair value of financial instruments that ensure compliance with the related requirements in IFRS.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at June 30, 2026	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments:					
Unlisted and non-OTC stocks	$ 263,221	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value.
Unlisted and non-OTC stocks	366,995	Discounted cash flow method	Note 1	Not applicable	Note 2
Unlisted and non-OTC stocks	25,000	At the most recent transaction price in an inactive market	Not applicable	Not applicable	Not applicable
Beneficiary certificates:					
Private fund	143,606	Net asset value	Not applicable	Not applicable	Not applicable
Hybrid instruments:					
Unlisted and non-OTC stocks and Embedded option	365,937	Discounted cash flow method and Option pricing	Note 1 and Stock price volatility	Not applicable	Note 2 and The higher the stock price volatility, the higher the fair value.

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments:					
Unlisted and non-OTC stocks	$ 118,063	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value.
Unlisted and non-OTC stocks	330,400	Discounted cash flow method	Note 1	Not applicable	Note 2
Unlisted and non-OTC stocks	25,000	At the most recent transaction price in an inactive market	Not applicable	Not applicable	Not applicable
Beneficiary certificates:					
Private fund	142,358	Net asset value	Not applicable	Not applicable	Not applicable
Hybrid instruments:					
Unlisted and non-OTC stocks and Embedded option	358,513	Discounted cash flow method and Option pricing	Note 1 and Stock price volatility	Not applicable	Note 2 and The higher the stock price volatility, the higher the fair value.

	Fair value at June 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments:					
Unlisted and non-OTC stocks	$ 84,870	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value.
Unlisted and non-OTC stocks	222,337	Comparable Listed and OTC companies analysis	Price to book ratio multiple, discount for lack of marketability	Not applicable	The higher the multiple, the higher the fair value; The higher the discount for lack of marketability, the lower the fair value.
Unlisted and non-OTC stocks	198,546	Discounted cash flow method	Note 1	Not applicable	Note 2
Unlisted and non-OTC stocks	25,000	At the most recent transaction price in an inactive market	Not applicable	Not applicable	Not applicable
Beneficiary certificates:					
Private fund	66,390	Net asset value	Not applicable	Not applicable	Not applicable
Hybrid instruments:					
Unlisted and non-OTC stocks and Embedded option	326,815	Discounted cash flow method and Option pricing	Note 1 and Stock price volatility	Not applicable	Note 2 and The higher the stock price volatility, the higher the fair value.

Note 1: Long-term revenue growth rate, weighted average cost of capital, long-term operating profit before income tax, discount for lack of marketability and discounts for minority interest.

Note 2: The higher the discount for lack of marketability, the lower the fair value; the higher the weighted average cost of capital and discount for minority interest, the lower the fair value; the higher the long-term revenue growth rate and long-term operating profit before income tax, the higher the fair value.

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in a different outcome.

13. **SUPPLEMENTARY DISCLOSURES**

(1) Significant transactions information

A. Financing provided: Please refer to table 1.

B. Endorsements and guarantees provided: Please refer to table 2.

C. Significant marketable securities held at the end of period (excluding investments in subsidiaries, associates and joint ventures): Please refer to table 3.

D. Total purchases from or sales to related parties of at least $100 million or 20% of the paid-in capital: Please refer to table 4.

E. Receivables from related parties amounting to at least $100 million or 20% of the paid-in capital: Please refer to table 5.

F. Intercompany relationships and significant intercompany transactions: Please refer to table 6.

(2) Information on investees

Names, locations and related information of investees over which the Company exercises significant influence (excluding information on investments in mainland China): Please refer to table 7.

(3) Information on investments in China

A. Information on investments in mainland China: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in China: Please refer to table 6.

14. **OPERATING SEGMENT INFORMATION**

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information in this period.

(2) Measurement basis

The Group uses the revenue and operating profit as the measurement for operating segment profit and the basis of performance assessment. The accounting policies of the operating segments and the accounting policies described in Note 4 of the consolidated financial statements are the same.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Six months ended June 30, 2026		
	3C Brand	Others	Total
Revenues from external customers	$ 433,033,482	$ 33,068,231	$ 466,101,713
Revenues from other segments	$ 2,073,722	$ 5,069,184	- (Note 1)
Segment income	$ 30,139,863	$ 2,718,428	$ 32,858,291
Total assets (Note 2)	$ -	$ -	$ -

	Six months ended June 30, 2025		
	3C Brand	Others	Total
Revenues from external customers	$ 307,145,240	$ 28,554,233	$ 335,699,473
Revenues from other segments	$ 2,060,579	$ 4,287,528	- (Note 1)
Segment income	$ 17,408,271	$ 2,998,103	$ 20,406,374
Total assets (Note 2)	$ -	$ -	$ -

Note 1: The intra-segment revenues have been eliminated to $0.

Note 2: Because the Group's segment assets are not provided to the chief operating decision-marker, such items are not required to be disclosed.

(4) Reconciliation for segment income

A. The intra-segment transactions are based on fair value. The revenues from external customers reported to the chief operating decision-maker are measured in a manner consistent with the consolidated statements of comprehensive income.

B. The reconciliation of operating revenue of reportable operating segments for the current period is as follows:

	Six months ended June 30, 2026	
	3C Brand	Others
Reportable operating segments' operating revenue	$ 433,033,482	$ 33,068,231
Revenue attributable to 3C products	26,682,744	(26,682,744)
Revenue from major product lines	$ 459,716,226	$ 6,385,487

	Six months ended June 30, 2025	
	3C Brand	Others
Reportable operating segments' operating revenue	$ 307,145,240	$ 28,554,233
Revenue attributable to 3C products	21,913,451	(21,913,451)
Revenue from major product lines	$ 329,058,691	$ 6,640,782

C. The reconciliation of the reportable operating segments' profit (others are the same as consolidated statements of comprehensive income) is as follows:

	Six Months Ended	
	June 30, 2026	June 30, 2025
Reportable operating segments' profit before adjustment	$ 32,858,291	$ 20,406,374
Unallocated profit	11,372	8,200
Reportable operating segments' profit	$ 32,869,663	$ 20,414,574

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

FINANCING PROVIDED

SIX MONTHS ENDED JUNE 30, 2026

Table 1 (Amounts in thousands of New Taiwan dollars and foreign currencies)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate (%)	Nature for Financing (Note 1)	Transaction Amounts	Reason for Financing	Loss allowance	Collateral		Financing Limits for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)	Note
													Item	Value			
1	ASUS	ASKEY	Other receivables	Yes	1,000,000	1,000,000	-	2.23	b	-	Need for operations	-	-	-	45,203,617	60,271,490	
2	ASUS	ASUSCLOUD	Other receivables	Yes	180,000	-	-	-	b	-	Need for operations	-	-	-	45,203,617	60,271,490	
3	ASUS	ATL	Other receivables	Yes	200,000	-	-	-	b	-	Need for operations	-	-	-	45,203,617	60,271,490	
4	ASTP	ASGL	Other receivables	Yes	36,627,500 (USD 1,150,000)	36,627,500 (USD 1,150,000)	30,894,500 (USD 970,000)	0.00~6.03	b	-	Need for operations	-	-	-	47,420,883 (USD 1,488,882)	47,420,883 (USD 1,488,882)	

Note 1：Nature for Financing：a. Business transaction calls for a loan arrangement.

b. The need for short-term financing.

Note 2：Limit of total financing amount：a. According to Procedures for Lending of ASUS, limit of total financing amount shall not exceed 20% of the net worth of ASUS as of the period.

b. According to Procedures for Lending of ASTP, limit of total financing amount to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by publicly traded parent company - ASUS, which are not located in Taiwan, shall not exceed 100% of the net worth of ASTP as of the period.

Limit financing amount for individual counterparty：a. According to Procedures for Lending of ASUS, limit of financing amount for individual counterparty shall not exceed 15% of the net worth of ASUS as of the period.

b. According to Procedures for Lending of ASTP, limit of financing amount to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by publicly traded parent company - ASUS, which are not located in Taiwan, for individual counterparty shall not exceed 100% of the net worth of ASTP as of the period.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

ENDORSEMENTS AND GUARANTEES PROVIDED

SIX MONTHS ENDED JUNE 30, 2026

Table 2 (Amounts in thousands of New Taiwan dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement / Guarantee Amount Allowable (Note)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship											
1	ASMEDIA	TECHPOINT	Subsidiary	5,380,060	318,500	318,500	110,754	-	0.89	7,173,414	N	N	N	
2	ASMEDIA	TECHPOINT TAIWAN BRANCH	Branch of a Subsidiary	5,380,060	4,800	4,214	-	-	0.01	7,173,414	N	N	N	

Note：Limit of total endorsement/guarantee amount: According to Procedures for Endorsements and Guarantees of ASMEDIA, the total amount of endorsement/guarantee shall not exceed 20% of the net worth of ASMEDIA as of the period.
Limit endorsement/guarantee amount for individual counterparty：According to Procedures for Endorsements and Guarantees of ASMEDIA, limit of endorsement/guarantee amount for individual counterparty shall not exceed 15% of the net worth of ASMEDIA as of the period.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
(EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)
(ONLY SECURITIES EXCEEDING NT$300 MILLION ARE DISCLOSED)

JUNE 30, 2026

Table 3 (Amounts in thousands of New Taiwan dollars)

Held Company Name	Marketable Securities		Relationship with the Company (Note 1)	Financial Statement Account (Note 2)	June 30, 2026				Note
	Type	Name			Shares/Units	Carrying Value	Percentage (%)	Fair Value	
ASUS	Stock	GLOBALWAFERS	-	d	1,626,626	1,634,759	0.34	1,634,759	
ASUS	Stock	ADVANTECH	-	d	113,483,106	55,833,688	13.07	55,833,688	
ASUS	Stock	PEGATRON	-	d	448,506,484	37,584,843	16.72	37,584,843	
ASUS	Stock	EMPASS	-	d	1,990,495	378,194	15.20	378,194	
ACCQ	Stock	XINZHONGGUAN (WITH EMBEDDED OPTION)	-	b	10,000,000	365,937	10.29	365,937	
ASMEDIA	Stock	ICATCH TECHNOLOGY	-	d	14,300,000	656,280	13.43	656,280	
TECHPOINT	Bond	U.S. TREASURY BILLS	-	c	-	1,027,333	-	1,027,333	
TECHPOINT	Bond	U.S. TREASURY NOTES	-	c	-	1,333,646	-	1,333,646	
HCVC and HMI	Stock	APAQ TECHNOLOGY	-	d	13,878,027	4,787,919	15.10	4,787,919	
AAEON	Stock	MACHVISION TECHNOLOGY	b	b	1,298,217	919,138	2.03	919,138	

Note 1： a. Associate. b. Other related parties.
Note 2： a. Financial assets at fair value through profit or loss - current； b. Financial assets at fair value through profit or loss - non-current； c. Financial assets at fair value through other comprehensive income - current；
d. Financial assets at fair value through other comprehensive income - non-current.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

SIX MONTHS ENDED JUNE 30, 2026

Table 4 (Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note 1)	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchases/ (Sales)	Amount	Percentage of Total Purchases/ (Sales) amount (%)	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage of Total Notes/Trade Receivables (Payables) (%)	
ASUS	ASUTC	b	(Sales)	(83,853,890)	(20.48)	OA 90	-	-	15,370,429	10.15	
ASUS	ASGL	b	(Sales)	(318,693,125)	(77.82)	OA 180	-	-	112,442,898	74.23	
ASUS	AAEON	b	(Sales)	(104,246)	(0.03)	Month-end 30 days	-	-	2,376	0.00	
ASUS	UEI	b	(Sales)	(625,972)	(0.15)	OA 90	-	-	165,580	0.11	
ASUS	ASKEY	b	(Sales)	(222,565)	(0.05)	Month-end 60 days	-	-	147,570	0.10	
ASUS	ACNL	b	(Sales)	(130,918)	(0.03)	OA 150	-	-	98,684	0.07	
ASMEDIA	ASUS	a	(Sales)	(206,250)	(0.04)	Month-end 30 days	-	-	-	-	
ASGL	ACCQ	b	(Sales)	(9,649,241)	(2.87)	OA 180	-	-	5,387,435	2.73	
ASGL	ACI	b	(Sales)	(54,127,391)	(16.10)	OA 180	-	-	43,416,363	22.03	
ASGL	ACSH	b	(Sales)	(55,041,344)	(16.38)	OA 180	-	-	35,478,605	18.01	
ASGL	ACJP	b	(Sales)	(10,423,989)	(3.10)	OA 120	-	-	5,569,059	2.83	
ASGL	ASIN	b	(Sales)	(7,523,151)	(2.24)	OA 180	-	-	9,137,994	4.64	
ASGL	ACMH	b	(Sales)	(6,792,941)	(2.02)	OA 180	-	-	8,635,655	4.38	
ASGL	ACNL	b	(Sales)	(21,891,010)	(6.51)	OA 150	-	-	16,375,324	8.31	
ASGL	ACJK	b	(Sales)	(6,870,744)	(2.04)	OA 180	-	-	8,996,677	4.57	
ASGL	ACBT	b	(Sales)	(795,587)	(0.24)	OA 180	-	-	820,665	0.42	
ASGL	DATASUSUS	b	(Sales)	(332,387)	(0.10)	OA 180	-	-	334,868	0.17	
ASGL	ACNLD	b	(Sales)	(562,791)	(0.17)	OA 150	-	-	519,638	0.26	
DATASUSUS	ACI	b	(Sales)	(353,555)	(100.20)	OA 30	-	-	129,771	92.31	
ASKEY	ASKEYI	b	(Sales)	(10,488,631)	(60.34)	Month-end 180 days	-	-	8,388,591	34.62	
ASKEY	ASKEYJS	b	(Sales)	(1,666,761)	NA (Note 2)	Month-end 180 days	-	-	513,678	2.12	
ASKEY	ASKEYVNBN	b	(Sales)	(10,726,740)	NA (Note 2)	Month-end 180 days	-	-	12,253,541	50.57	
ASKEYJS	ASKEY	b	(Sales)	(5,102,447)	(30.53)	Month-end 180 days	Based on cost of finished goods plus related expenditure of related party	-	6,516,255	27.61	
ASKEYVNBN	ASKEY	b	(Sales)	(9,457,594)	(56.59)	Month-end 180 days	Based on cost of finished goods plus related expenditure of related party	-	9,525,152	40.36	
AAEON	AAEONEI	b	(Sales)	(728,726)	(24.60)	Net 60	-	-	269,851	28.48	
AAEON	AAEONSZ	b	(Sales)	(174,877)	(5.90)	Month-end 60 days	-	-	38,669	4.08	
AAEON	AAEONEU	b	(Sales)	(982,286)	(33.15)	Net 60	-	-	334,473	35.30	
ONYX	ONYXHU	b	(Sales)	(315,897)	(44.12)	Month-end 90 days	-	-	146,570	46.71	
JETWAY	JETWAYUS	b	(Sales)	(127,890)	(16.12)	Month-end 30-60 days	-	-	52,294	35.75	
ASUTC	PORTWELL	c	(Sales)	(105,752)	(0.12)	Month-end 35 days	-	-	20,849	0.64	
ASMEDIA	WT	c	(Sales)	(434,734)	(6.99)	Month-end 30 days	-	-	86,297	10.50	
ASUS	WT	c	Purchases	1,155,206	0.24	Month-end 30-120 days；Current month-end 90-120 days	-	-	(1,078,256)	(0.57)	

Note 1： a. Parent company； b. Subsidiary； c. Associate； d. Other.

Note 2 : Purchasing raw materials is for subsidiary and the related sales revenue are eliminated in the financial reports.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

JUNE 30, 2026

Table 5 (Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note)	Ending Balance	Turnover (Times)	Overdue		Amounts Received in Subsequent Period	Loss allowance
					Amount	Action Taken		
ASUS	ASUTC	b	15,370,429	16.56	-	-	14,904,605	-
ASUS	ASGL	b	112,442,898	5.20	-	-	58,870,422	-
ASUS	UEI	b	165,580	5.45	-	-	157,420	-
ASUS	ASKEY	b	147,570	4.13	-	-	10,469	-
ASGL	ACCQ	b	5,387,435	6.41	-	-	937,913	-
ASGL	ACI	b	43,416,363	2.57	-	-	10,263,583	-
ASGL	ACSH	b	35,478,605	3.80	-	-	15,810,081	-
ASGL	ACJP	b	5,569,059	4.69	-	-	3,318,792	-
ASGL	ASIN	b	9,137,994	1.84	1,211,564	Keep in reconciliation and dunning monthly	1,402,867	-
ASGL	ACMH	b	8,635,655	1.94	1,771,656	Keep in reconciliation and dunning monthly	1,239,554	-
ASGL	ACNL	b	16,375,324	2.47	-	-	8,508,502	-
ASGL	ACJK	b	8,996,677	1.62	2,287,036	Keep in reconciliation and dunning monthly	109,743	-
ASGL	ACBT	b	820,665	2.43	50,325	Keep in reconciliation and dunning monthly	73,989	-
ASGL	DATASUSUS	b	334,868	1.93	-	-	44,905	-
ASGL	ACNLD	b	519,638	2.37	128,832	Keep in reconciliation and dunning monthly	46,052	-
ASGL	ACIN	b	376,894	0.03	-	-	81,154	-
DATASUSUS	ACI	b	129,771	5.62	-	-	-	-
ASKEY	ASKEYI	b	8,388,591	2.92	88,059	Keep in reconciliation and dunning monthly	1,926,925	-
ASKEY	ASKEYJS	b	513,678	8.34	-	-	79,669	-
ASKEY	ASKEYVNBN	b	12,253,541	2.17	-	-	559,381	-
ASKEYJS	ASKEY	b	6,516,255	1.91	536,605	Keep in reconciliation and dunning monthly	496,427	-
ASKEYVNBN	ASKEY	b	9,525,152	2.39	-	-	1,258,075	-
AAEON	AAEONEI	b	269,851	6.90	-	-	-	-
AAEON	AAEONEU	b	334,473	6.47	-	-	-	-
ONYX	ONYXHU	b	146,570	5.10	-	-	-	-

Note : a. Parent company； b. Subsidiary； c. Associate； d. Other.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
(ONLY TRANSACTIONS AMOUNTING TO AT LEAST NT$100 MILLION ARE DISCLOSED)
SIX MONTHS ENDED JUNE 30, 2026

Table 6-1 (Amounts in thousands of New Taiwan dollars)

No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Account	Amount	Terms	Consolidated Net Revenue or Total Assets (%)
0	ASUS	ASUTC	a	Sales	83,853,890	OA 90	17.99
0	ASUS	ASGL	a	Sales	318,693,125	OA 180	68.37
0	ASUS	AAEON	a	Sales	104,246	Month-end 30 days	0.02
0	ASUS	UEI	a	Sales	625,972	OA 90	0.13
0	ASUS	ASKEY	a	Sales	222,565	Month-end 60 days	0.05
0	ASUS	ACNL	a	Sales	130,918	OA 150	0.03
1	ASMEDIA	ASUS	b	Sales	206,250	Month-end 30 days	0.04
2	ASGL	ACCQ	c	Sales	9,649,241	OA 180	2.07
2	ASGL	ACI	c	Sales	54,127,391	OA 180	11.61
2	ASGL	ACSH	c	Sales	55,041,344	OA 180	11.81
2	ASGL	ACJP	c	Sales	10,423,989	OA 120	2.24
2	ASGL	ASIN	c	Sales	7,523,151	OA 180	1.61
2	ASGL	ACMH	c	Sales	6,792,941	OA 180	1.46
2	ASGL	ACNL	c	Sales	21,891,010	OA 150	4.70
2	ASGL	ACJK	c	Sales	6,870,744	OA 180	1.47
2	ASGL	ACBT	c	Sales	795,587	OA 180	0.17
2	ASGL	DATASUSUS	c	Sales	332,387	OA 180	0.07
2	ASGL	ACNLD	c	Sales	562,791	OA 150	0.12
3	DATASUSUS	ACI	c	Sales	353,555	OA 30	0.08
4	ASKEY	ASKEYI	c	Sales	10,488,631	Month-end 180 days	2.25
4	ASKEY	ASKEYJS	c	Sales	1,666,761	Month-end 180 days	0.36
4	ASKEY	ASKEYVNBN	c	Sales	10,726,740	Month-end 180 days	2.30
5	ASKEYJS	ASKEY	c	Sales	5,102,447	Month-end 180 days	1.09
6	ASKEYVNBN	ASKEY	c	Sales	9,457,594	Month-end 180 days	2.03
7	AAEON	AAEONEI	c	Sales	728,726	Net 60	0.16
7	AAEON	AAEONSZ	c	Sales	174,877	Month-end 60 days	0.04
7	AAEON	AAEONEU	c	Sales	982,286	Net 60	0.21
8	ONYX	ONYXHU	c	Sales	315,897	Month-end 90 days	0.07
9	JETWAY	JETWAYUS	c	Sales	127,890	Month-end 30-60 days	0.03
10	ACH	ASGL	c	Service revenue	199,059	Pay on delivery	0.04
11	ACAE	ASGL	c	Service revenue	185,634	Pay on delivery	0.04
12	ACCZS	ASGL	c	Service revenue	328,978	Pay on delivery	0.07
13	ACF	ASGL	c	Service revenue	317,287	Pay on delivery	0.07
14	ACG	ASGL	c	Service revenue	318,212	Pay on delivery	0.07
15	ACHK	ASGL	c	Service revenue	130,349	Pay on delivery	0.03
16	ACPL	ASGL	c	Service revenue	134,048	Pay on delivery	0.03
17	ACUK	ASGL	c	Service revenue	199,020	Pay on delivery	0.04
18	ACAU	ASGL	c	Service revenue	225,490	Pay on delivery	0.05
19	ACS	ASGL	c	Service revenue	121,927	Pay on delivery	0.03
20	ACN	ASGL	c	Service revenue	217,986	Pay on delivery	0.05
21	ACTR	ASGL	c	Service revenue	139,939	Pay on delivery	0.03
22	ACSH	ASGL	c	Service revenue	105,634	Pay on delivery	0.02
23	ACSZ	ASGL	c	Service revenue	1,471,476	Pay on delivery	0.32
24	ACIB	ACNL	c	Service revenue	198,887	Pay on delivery	0.04
25	ACIT	ACNL	c	Service revenue	220,324	Pay on delivery	0.05
26	ATUS	ASUS	b	Service revenue	171,954	Net 30	0.04

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
(ONLY TRANSACTIONS AMOUNTING TO AT LEAST NT$100 MILLION ARE DISCLOSED)
JUNE 30, 2026

Table 6-2 (Amounts in thousands of New Taiwan dollars)

No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Account	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (%)
0	ASUS	ASUTC	a	Trade receivables	15,370,429	OA 90	1.77
0	ASUS	ASGL	a	Trade receivables	112,442,898	OA 180	12.95
0	ASUS	UEI	a	Trade receivables	165,580	OA 90	0.02
0	ASUS	ASKEY	a	Trade receivables	147,570	Net 60	0.02
2	ASGL	ACCQ	c	Trade receivables	5,387,435	OA 180	0.62
2	ASGL	ACI	c	Trade receivables	43,416,363	OA 180	5.00
2	ASGL	ACSH	c	Trade receivables	35,478,605	OA 180	4.08
2	ASGL	ACJP	c	Trade receivables	5,569,059	OA 120	0.64
2	ASGL	ASIN	c	Trade receivables	9,137,994	OA 180	1.05
2	ASGL	ACMH	c	Trade receivables	8,635,655	OA 180	0.99
2	ASGL	ACNL	c	Trade receivables	16,375,324	OA 150	1.89
2	ASGL	ACJK	c	Trade receivables	8,996,677	OA 180	1.04
2	ASGL	ACBT	c	Trade receivables	820,665	OA 180	0.09
2	ASGL	DATASUSUS	c	Trade receivables	334,868	OA 180	0.04
2	ASGL	ACNLD	c	Trade receivables	519,638	OA 150	0.06
2	ASGL	ACIN	c	Trade receivables	376,894	OA 150	0.04
3	DATASUSUS	ACI	c	Trade receivables	129,771	OA 30	0.01
4	ASKEY	ASKEYI	c	Trade receivables	8,388,591	Month-end 180 days	0.97
4	ASKEY	ASKEYJS	c	Trade receivables	513,678	Month-end 180 days	0.06
4	ASKEY	ASKEYVNBN	c	Trade receivables	12,253,541	Month-end 180 days	1.41
5	ASKEYJS	ASKEY	c	Trade receivables	6,516,255	Month-end 180 days	0.75
6	ASKEYVNBN	ASKEY	c	Trade receivables	9,525,152	Month-end 180 days	1.10
7	AAEON	AAEONEI	c	Trade receivables	269,851	Net 60	0.03
7	AAEON	AAEONEU	c	Trade receivables	334,473	Net 60	0.04
8	ONYX	ONYXHU	c	Trade receivables	146,570	Month-end 90 days	0.02
10	ACH	ASGL	c	Trade receivables	106,438	Pay on delivery	0.01
13	ACF	ASGL	c	Trade receivables	126,341	Pay on delivery	0.01
23	ACSZ	ASGL	c	Trade receivables	473,075	Pay on delivery	0.05
27	ACAE	ASGL	c	Trade receivables	105,688	Pay on delivery	0.01

Note 1： ASUS and its subsidiaries are coded as follows:
a. ASUS is coded 0.
b. The subsidiaries are coded consecutively beginning from 1 in the order presented in the table above.

Note 2： Transactions are categorized as follows:
a. The parent company to subsidiary.
b. Subsidiary to parent company.
c. Subsidiary to subsidiary.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
(EXCLUDING INFORMATION ON INVESTMENTS IN MAINLAND CHINA)

SIX MONTHS ENDED JUNE 30, 2026

Table 7

(Amounts in thousands of New Taiwan dollars)

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		June 30, 2026			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				June 30, 2026	December 31, 2025	Shares	Percentage of Ownership (%)	Carrying Value			
ASUS	ASKEY	Taiwan	Designing, manufacturing, repairing and selling of communication products and computer peripheral spare parts	5,021,108	5,021,108	480,000,000	100.00	623,522	221,513	220,001	Note 2
ASUS	ASUTC	Taiwan	Selling of 3C products in Taiwan	204,244	204,244	19,000,000	100.00	3,611,424	3,786,351	3,786,351	Note 1 and 2
ASUS	ASUSCLOUD	Taiwan	Selling of internet services	870,558	736,678	14,479,500	96.53	164,116	(35,530)	(34,296)	Note 2
ASUS	HCVC	Taiwan	Investing of computer peripheral business	1,250,000	1,250,000	159,500,000	100.00	7,685,570	299,793	299,793	Note 2
ASUS	HMI	Taiwan	Investing of computer peripheral business	680,000	680,000	100,500,000	100.00	3,446,088	174,203	173,679	Note 2
ASUS	UEI	Taiwan	Manufacturing and selling of automotive electronics and computer peripherals	66,354	66,354	21,300,000	100.00	256,482	28,593	28,593	Note 2
ASUS	ATL	Taiwan	Researching, developing and authorizing of communication technology	320,000	320,000	32,000,000	100.00	40,184	(53,349)	(53,349)	Note 2
ASUS	MEDUS	Taiwan	Selling of information system services	61,540	61,540	5,900,000	100.00	64,622	1,683	1,683	Note 2
ASUS	AMV	Taiwan	Selling of metaverse services	20,000	20,000	2,000,000	100.00	18,954	123	123	Note 2
ASUS	ASUSLC	Taiwan	Selling of internet information services	9,000	9,000	900,000	90.00	3,372	71	64	Note 2
ASUS	DATASUS	Taiwan	Investing of industrial server peripheral products business	200,000	200,000	20,000,000	100.00	227,099	25,217	25,217	Note 2
ASUS	THBDT	Taiwan	Selling of medical data integration and analytics	65,000	65,000	6,500,000	65.00	57,975	(3,177)	(2,065)	Note 2
ASUS	ACI	U.S.A.	Selling of 3C products in North America	13,320	13,320	50,000	100.00	3,476,071	2,782,243	2,782,243	Note 2
ASUS	ACH	Netherlands	Repairing of 3C products	155,336	155,336	10,800,000	100.00	440,965	6,729	6,729	Note 2
ASUS	AIL	Cayman Islands	Investing of 3C and computer peripheral business	3,281,057	3,281,057	89,730,042	100.00	48,556,394	(54,876)	(54,876)	Note 1 and 2
ASUS	ASGL	Singapore	Selling of 3C products	16,570,570	838,070	528,000,000	100.00	53,253,173	10,541,352	8,230,861	Note 2
ASUS	QCI	Singapore	Selling of information technology services	25,290	25,290	830,001	100.00	59,133	832	832	Note 2
ASUS	ATUS	U.S.A.	Researching and developing of 3C products	126,754	126,754	400,000	100.00	167,751	5,295	5,295	Note 2
ASUS	DEEP	Taiwan	Researching, developing and selling of AI medical related software	45,030	45,030	674,908	20.63	-	-	-	Note 2
ASUS	PORTWELL	Taiwan	Manufacturing and selling of computers and computer peripherals and selling of information software services	2,325,000	2,325,000	44,239,755	45.00	4,710,250	1,211,140	519,671	Note 2
ASUS	ASUSTOR	Taiwan	Researching, developing and selling of cloud computing services	84,035	84,035	6,961,620	38.04	126,182	30,915	11,761	Note 2
ASUS	GAIUS	Taiwan	Researching, developing and selling of electric motor tricycle industry	185,184	185,184	17,649,822	19.71	133,513	(160,967)	(31,396)	Note 2
ASUS	QSAN	Taiwan	Designing, researching, developing and selling of network storage services	169,889	168,370	2,290,628	19.81	172,822	62,146	12,336	Note 2
ASUS and HCVC	SWI	Taiwan	Researching, developing and selling of information system software	72,146	72,146	5,469,750	51.00	56,777	(15,472)	(7,891)	Note 2
ASUS and HCVC	IUT	Taiwan	Researching, developing, manufacturing and selling of ink-jet print heads and ink-jet digital image output technology	177,743	177,743	11,323,682	69.25	190,674	44,853	31,061	Note 2
ASUS and HCVC	SHINYOPTICS	Taiwan	Researching, developing, manufacturing and selling of virtual image optical engines and vehicle head-up displays	46,987	46,987	2,232,900	90.04	7,236	(10,012)	(9,015)	Note 2
ASUS and HCVC	ACBT	Indonesia	Selling of 3C products in Indonesia	1,126,979	1,126,979	4,211,100	100.00	-	15,752	15,752	Note 2 and 3
ASUS and HCVC	ACJK	Indonesia	Selling of 3C products in Indonesia	471,264	471,264	15,400	100.00	-	276,341	276,341	Note 2 and 3
ASUS and HCVC	UPI	Taiwan	Designing, researching, developing and selling of integrated circuits	427,761	427,761	23,138,905	21.93	4,330,330	442,965	84,553	Note 2
ASUS, HCVC and ONYX	IMOZEN	Taiwan	Investing of AI and OPC peripherals business	328,784	310,770	3,462,101	24.79	43,243	(5,086)	(762)	Note 2
ASUS and HCVC	LELTEK	Taiwan	Researching, developing and selling of handheld ultrasound solutions business	136,054	136,054	5,171,060	19.90	144,012	(9,026)	(1,796)	Note 2
ASUS, HCVC and HMI	ASMEDIA	Taiwan	Designing, researching, developing and manufacturing of high-speed analog circuit	342,673	342,673	31,775,315	42.92	16,302,408	3,557,085	1,168,300	Note 2
ASUS, HCVC and HMI	AAEON	Taiwan	Manufacturing and selling of industrial computers and computer peripherals	3,357,568	3,357,568	63,482,936	37.46	5,586,522	780,003	210,941	Note 2
ASUS, HMI and AAEON	ONYX	Taiwan	Designing, manufacturing and selling of medical computers	245,386	245,386	21,058,613	53.90	828,456	110,258	5,497	Note 2 and 4
ASUS, HCVC and HMI	EMC	Taiwan	Designing, manufacturing and selling of computer peripheral spare parts	81,060	81,060	6,359,548	12.50	438,419	238,760	10,547	Note 2
ASUS, HCVC and HMI	JPX	Taiwan	Designing and selling of computer peripheral spare parts	20,000	20,000	4,000,000	10.11	1,731	(2,279)	(120)	Note 2
ASUS and ASUSCLOUD	TWS	Taiwan	Selling of AI computing services	540,000	540,000	32,142,856	74.18	378,309	772	397	Note 2 and 4
ASUS, HCVC and ASUSCLOUD	ASUSMAAS	Taiwan	Researching, developing and selling of smart parking system and charging piles	180,000	180,000	18,000,000	100.00	6,211	(18,384)	(12,256)	Note 2 and 4
ASUS and ASTP	ASIN	India	Selling of 3C products in India	215,863	213,017	33,500,000	100.00	887,739	520,437	-	Note 2

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		June 30, 2026			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				June 30, 2026	December 31, 2025	Shares	Percentage of Ownership (%)	Carrying Value			
ASUS and ASTP	ACIN	India	Supporting and repairing of 3C products in India	263,319	259,846	20,134,400	100.00	444,468	12,956	-	Note 2
ASKEY	ASKEYDT	Taiwan	Selling and supporting of communication products	30,000	30,000	3,000,000	100.00	30,460	116	-	Note 2
ASKEY	WONDA	Taiwan	Manufacturing and designing of wired and wireless communication, electronic parts products, etc.	65,344	65,344	9,242,232	100.00	53,419	1,243	-	Note 2
ASKEY	ASKEYI	U.S.A.	Selling, repairing and supporting of communication products	307,607	307,607	10,000,000	100.00	104,093	(44,408)	-	Note 2
ASKEY	DIC	British Virgin Islands	Investing of communication business	271,695	271,695	8,160,172	100.00	104,205	833	-	Note 2
ASKEY	MIC	British Virgin Islands	Investing of communication business	3,752,306	3,752,306	114,942,014	100.00	3,874,815	6,397	-	Note 2
ASKEY	ASKEYUK	U.K.	Selling and supporting of communication products	37,740	37,740	1,000,000	100.00	47,311	1,131	-	Note 2
ASKEY	ASKEYVNBN	Vietnam	Manufacturing and selling of communication products	620,804	620,804	-	100.00	808,907	51,046	-	Note 2
ASKEY and ASKEYDT	DNS	Mexico	Selling and supporting of communication products	6,935	6,935	4,368,000	100.00	4,556	(941)	-	Note 2
ASKEY and MIC	ASKEYBR	Brazil	Selling and supporting of communication products	32,986	32,551	3,700,000	100.00	8,318	221	-	Note 2
ASKEY and WISE	ASKEYFR	France	Selling and supporting of communication products	182,981	182,416	4,818,090	100.00	71,528	(5,588)	-	Note 2
DIC	WISE	Hong Kong	Investing of communication business	43,045	42,478	1,600,000	100.00	11,613	(905)	-	Note 2
MIC	MAGICOM	Cayman Islands	Investing of communication business	2,899,306	2,861,073	91,030,000	100.00	3,800,784	31,557	-	Note 2
MIC	ASKEYCG	Germany	Selling and supporting of communication products	4,168	4,113	100,000	100.00	8,007	512	-	Note 2
MIC	ASKEYJP	Japan	Selling and supporting of communication products	1,497	1,478	500,000	100.00	-	148	-	Note 2 and 3
ASKEY	ECOLAND	Taiwan	Designing and selling of green energy buildings and surrounding ecosystem	21,840	21,840	780,000	33.91	-	(44)	-	Note 2 and 3
ASMEDIA	HSFI	Taiwan	Investing of computer peripheral business	73,000	-	7,300,000	100.00	73,131	131	-	Note 2
ASMEDIA	WT	Taiwan	Selling of semiconductor and electronic components	8,307,440	8,307,440	188,720,421	14.87	17,405,160	14,609,164	-	Note 2
ASMEDIA	XINPAL	Singapore	Designing and researching of high performance computing IC	112,998	112,998	37,500,000	24.44	132,190	96,829	-	Note 2
ASMEDIA	TECHPOINT	U.S.A.	Selling of semiconductor IC chip	12,437,539	12,412,536	19,554,940	100.00	13,251,991	379,897	-	Note 2
TECHPOINT	TECHJP	Japan	Designing, researching and developing of semiconductor IC chip	2,022	2,022	10	100.00	35,413	888	-	Note 2
HMI	JOGEEK	Taiwan	Selling and repairing of information software and electronic information materials	30,000	30,000	3,000,000	100.00	30,966	4,255	-	Note 2
DATASUS	DATASUSUS	U.S.A.	Manufacturing and selling of industrial server peripheral products	190,575	190,575	600,000	100.00	187,556	25,190	-	Note 2
AAEON	AAEONI	Taiwan	Investing of industrial computers and computer peripheral business	150,000	150,000	15,000,000	100.00	136,044	9,456	-	Note 2
AAEON	LITEMAX	Taiwan	Selling of computer peripherals	70,218	70,218	5,015,050	11.77	104,959	78,622	-	Note 2
AAEON	IBASE	Taiwan	Manufacturing and selling of industrial motherboard	3,498,501	3,498,501	52,921,856	26.17	3,115,148	390,030	-	Note 2
AAEON	JETWAY	Taiwan	Manufacturing and selling of industrial motherboard and computer peripherals	892,474	892,474	19,845,958	35.29	866,420	143,698	-	Note 2
AAEON	AAEONEI	U.S.A.	Selling of industrial computers and computer peripherals	156,065	154,007	490,000	100.00	380,975	30,615	-	Note 2
AAEON	AAEONTCL	British Virgin Islands	Investing of industrial computers and interface cards business	280,506	276,807	8,807,097	100.00	87,439	(25,765)	-	Note 2
AAEON	AAEONEU	Netherlands	Selling of industrial computers and computer peripherals	3,629	3,690	-	100.00	49,257	3,844	-	Note 2
AAEON	AAEONSG	Singapore	Selling of industrial computers and computer peripherals	14,357	14,263	465,840	100.00	71,013	(968)	-	Note 2
AAEON	AAEONJP	Japan	Selling of industrial computers and computer peripherals	313,737	-	200	100.00	316,871	29,630	-	Note 2
AAEONEU	AAEONG	Germany	Selling of industrial computers and computer peripherals	1,089	1,107	-	100.00	28,317	606	-	Note 2
ONYX	IHELPER	Taiwan	Researching, developing and selling of medical robots	-	-	-	46.00	-	-	-	Note 2
ONYX	WINMATE	Taiwan	Selling of liquid crystal display application equipment and modules	568,585	568,585	10,244,000	12.73	668,275	264,301	-	Note 2
ONYX	PROTECTLIFE	Taiwan	Manufacturing and selling of medical equipment and consumables	57,688	57,688	3,300,000	12.43	30,684	(20,742)	-	Note 2
ONYX	ONYXHU	U.S.A.	Selling of medical computers and peripherals	63,700	62,860	200,000	100.00	101,483	2,446	-	Note 2
ONYX	ONYXHE	Netherlands	Marketing, supporting and repairing of medical computers and peripherals	3,629	3,690	100,000	100.00	49,279	8,174	-	Note 2
JETWAY	JETWAYUS	U.S.A.	Selling and repairing of computer peripheral equipment	121,030	119,434	380	100.00	223,266	9,608	-	Note 2
JETWAY	JETWAYNL	Netherlands	Selling and repairing of computer peripheral equipment	710	696	40	100.00	33,559	1,579	-	Note 2
JETWAY	JETWAYFE	British Virgin Islands	Investing of computer peripheral business	2,696	2,660	84,634	100.00	-	2	-	Note 2 and 3
JETWAY	TOPNOVEL	Seychelles	Investing of computer peripheral business	563,761	556,327	17,700,500	100.00	515,372	3,309	-	Note 2
TOPNOVEL	CANDID	Seychelles	Investing of computer peripheral business	543,043	535,882	17,050,000	100.00	511,536	3,299	-	Note 2
AIL	CHANNEL	British Virgin Islands	Investing of 3C business	956,551	943,937	30,033,000	100.00	52,892,396	(74,433)	-	Note 2
CHANNEL	ASTP	Singapore	Investing of 3C business	955,580	942,979	44,419,424	100.00	47,420,883	781,636	-	Note 2

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		June 30, 2026			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				June 30, 2026	December 31, 2025	Shares	Percentage of Ownership (%)	Carrying Value			
CHANNEL and ASTP	ACAE	United Arab Emirates	Supporting and repairing of 3C products in Middle East	93,736	92,499	107	100.00	132,596	3,950	-	Note 2
CHANNEL and ASTP	ACEG	Egypt	Supporting of 3C products in Egypt	-	-	-	100.00	2,040	237	-	Note 2
CHANNEL and ASTP	ASID	Indonesia	Repairing of 3C products in Asia-pacific and America	47,775	47,145	1,500,000	100.00	67,272	4,340	-	Note 2
CHANNEL, ASTP and ACNL	ACTH	Thailand	Supporting of 3C products in Thailand	18,804	18,556	25,000	100.00	50,150	2,995	-	Note 2
CHANNEL, ASTP and ACNL	ASTH	Thailand	Repairing of 3C products in Thailand	22,435	22,139	240,000	100.00	41,506	(12,455)	-	Note 2
ASTP	ACG	Germany	Selling and supporting of 3C products in Germany	3,017	2,977	-	100.00	278,263	10,319	-	Note 2
ASTP	ACF	France	Supporting of 3C products in France	324,681	320,399	440,300	100.00	461,310	12,434	-	Note 2
ASTP	ACUK	U.K.	Supporting of 3C products in United Kingdom	206,960	204,231	4,950,000	100.00	329,994	7,091	-	Note 2
ASTP	ACHK	Hong Kong	Supporting and repairing of 3C products in Hong Kong	284,008	280,263	69,500,000	100.00	314,620	1,991	-	Note 2
ASTP	ACKR	South Korea	Supporting and repairing of 3C products in South Korea	11,018	10,873	158,433	100.00	69,270	2,315	-	Note 2
ASTP	ACNL	Netherlands	Selling of 3C products	18,542	18,298	375,000	100.00	3,043,283	154,862	-	Note 2
ASTP	ACVN	Vietnam	Supporting and repairing of 3C products in Vietnam	2,548	2,514	-	100.00	65,873	4,292	-	Note 2
ASTP	ACIB	Spain	Supporting of 3C products in Spain	70,495	69,566	3,000	100.00	451,353	25,104	-	Note 2
ASTP	ACJP	Japan	Selling of 3C products in Japan	77,957	76,929	20,500	100.00	802,273	180,550	-	Note 2
ASTP	ASAU	Australia	Repairing of 3C products in Australia	30,745	30,339	950,000	100.00	121,212	10,036	-	Note 2
ASTP	ACAU	Australia	Supporting of 3C products in Australia	11,492	11,340	350,000	100.00	137,781	10,265	-	Note 2
ASTP	ACIL	Israel	Supporting of 3C products in Israel	414	409	50,000	100.00	46,599	6,001	-	Note 2
ASTP	ACCO	Colombia	Supporting of 3C products in Colombia	956	943	74,489	100.00	15,409	(527)	-	Note 2
ASTP	ACZA	South Africa	Supporting and repairing of 3C products in Africa	28,336	27,963	-	100.00	52,774	1,662	-	Note 2
ASTP	ACMY	Malaysia	Supporting and repairing of 3C products in Malaysia	3,722	3,673	500,000	100.00	38,239	1,718	-	Note 2
ASTP	ACCL	Chile	Supporting of 3C products in Chile	55	54	1,000	100.00	18,178	1,956	-	Note 2
ASTP	ASPH	Philippines	Supporting and repairing of 3C products in Philippines	6,721	6,632	1,119,998	100.00	11,116	(3,571)	-	Note 2
ASTP	APVN	Vietnam	Leasing and selling of real estate	477,750	471,450	-	100.00	474,205	5,779	-	Note 2
ASTP and ACNL	A25	Russia	Selling of 3C products in Russia	4	4	-	100.00	5,194	(5)	-	Note 2
ASTP and ACNL	ACPE	Peru	Supporting of 3C products in Peru	71,706	70,782	7,520,532	100.00	75,408	(174)	-	Note 2
ASTP and ACNL	ACMH	Mexico	Selling of 3C products in Mexico	121,281	119,715	51,250	100.00	-	(338,899)	-	Note 2 and 3
ASTP and ACNL	ACBZ	Brazil	Selling of 3C products in Brazil	6,277,992	6,195,214	549,469,000	100.00	6,018,112	435,571	-	Note 2
ACNL	ACHU	Hungary	Supporting of 3C products in Hungary	1,814	1,845	-	100.00	24,718	2,054	-	Note 2
ACNL	ACPT	Portugal	Supporting of 3C products in Portugal	1,089	1,107	30,000	100.00	27,572	1,384	-	Note 2
ACNL	ACCH	Switzerland	Supporting of 3C products in Switzerland	8,293	8,432	3,400	100.00	34,428	1,794	-	Note 2
ACNL	ACN	Sweden	Supporting of 3C products in North Europe	1,156	1,176	3,000	100.00	120,382	5,347	-	Note 2
ACNL	ACTR	Turkey	Supporting and repairing of 3C products in Turkey	163,987	166,738	50,741	100.00	194,224	7,080	-	Note 2
ACNL	ACPL	Poland	Supporting of 3C products in Poland	52,826	53,713	1,000	100.00	108,111	5,319	-	Note 2
ACNL	ACIT	Italy	Supporting of 3C products in Italy	400,931	407,658	-	100.00	488,594	27,737	-	Note 2
ACNL	ACCZ	Czech Republic	Supporting of 3C products in Czech Republic	284	289	-	100.00	28,293	1,124	-	Note 2
ACNL	ACCZS	Czech Republic	Repairing of 3C products in Europe	134,150	136,401	-	100.00	393,458	12,698	-	Note 2
ACNL	ACUKR	Ukraine	Supporting of 3C products in Ukraine	10,655	10,833	-	100.00	17,017	1,432	-	Note 2
ACNL	ACNLD	Netherlands	Selling of 3C products	27,580	28,043	-	100.00	27,724	37,760	-	Note 2

Note 1：Original investment amount excludes other interest oriented from shareholders' stock trust which distributes to employees.

Note 2：According to regulation, only disclose the share of profit / loss of investee recognized by ASUS.

Note 3：Credit balance of investments accounted for under equity method is transferred to other liabilities - non-current.

Note 4：Percentage of ownership represents controlling shareholding ratio but not the comprehensive shareholding ratio.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

SIX MONTHS ENDED JUNE 30, 2026

Table 8 (Amounts in thousands of New Taiwan dollars and foreign currencies)

Investee Company	Main Businesses	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Beginning Balance of Accumulated Outflow of Investment from Taiwan	Investment Flows		Ending Balance Accumulated Outflow of Investment from Taiwan	Net Income (Loss) of the Investee Company	Percentage of Ownership (%)	Investment Income (Loss) Recognized in Current Period (Note 1 and 2)	Carrying Amount as of June 30, 2026 (Note 1 a and 2)	Ending Balance of Accumulated Inward Remittance of Earnings	Note (Note 1 b)
					Outflow	Inflow							
ACSH	Selling of 3C products in China	6,946,485	b	1,531,985	-	-	1,531,985	(1,298,813)	100.00	(1,298,813)	3,229,359	-	ASTP Invested
ACS	Repairing of 3C products	63,700	b	63,700	-	-	63,700	3,681	100.00	3,681	116,012	-	ASTP Invested
ASKEYJS	Manufacturing and selling of communication products	2,866,500	b	2,866,500	-	-	2,866,500	30,705	100.00	30,705	3,755,912	-	MAGICOM Invested
AAEONSZ	Manufacturing and selling of industrial computers and interface cards	276,785	b	276,785	-	-	276,785	(25,757)	100.00	(25,757)	93,916	-	AAEONTCL Invested
EMES	Selling of information system software	9,555	a	9,555	-	-	9,555	(2,559)	100.00	(2,559)	30,355	-	-
ASKEYSH	Researching, developing and selling of communication products	95,550	b	95,550	-	-	95,550	236	100.00	236	17,216	-	MIC Invested
ACSZ	Researching and developing of 3C products	1,560,650	b	1,560,650	-	-	1,560,650	92,895	100.00	92,895	2,668,029	-	ASTP Invested
FUJIAN	Manufacturing and selling of computer and peripheral equipment	541,450	b	541,450	-	-	541,450	3,295	100.00	3,295	509,861	-	CANDID Invested
ACCQ	Selling of 3C products in China	2,197,650	b	2,197,650	-	-	2,197,650	(788,627)	100.00	(788,627)	5,543,816	-	ASTP Invested
ACISZ	Leasing of real estate	1,174,689	c	-	-	-	-	(20,085)	100.00	(20,085)	1,010,283	-	-
ONYXSH	Selling of medical computers and peripherals	74,848	a	74,848	-	-	74,848	(1,159)	100.00	(1,159)	2,765	-	-
TECHSZ	Designing, researching and developing of semiconductor IC chip	2,045	c	-	-	-	-	4,003	100.00	4,003	30,781	-	-
JSCD	Participating and promoting of professional eSports	673,900	a	673,900	-	-	673,900	(15,078)	100.00	(15,078)	220,669	-	-
JRCD	Participating and promoting of professional eSports	23,458	c	-	-	-	-	(2,131)	100.00	(2,131)	7,092	-	-
PSCD	Selling of multi-channel network services	87,715	c	-	-	-	-	(3,644)	100.00	(3,644)	91,369	-	-
AESZ	Manufacturing and selling of vehicle products in China	159,250	b	159,250	-	-	159,250	(6,388)	100.00	(6,388)	158,397	-	ASTP Invested

Company Name	Ending Balance of Accumulated Investment in Mainland China	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
ASUS	6,870,122 USD 215,702	12,284,622 USD 385,702	197,991,412
ASKEY	3,373,622 USD 105,922	3,373,622 USD 105,922	(Note 3)
ASMEDIA	-	80,963 USD 2,542	20,911,606
AAEON	276,785 USD 8,690	276,785 USD 8,690	7,275,554
SWI	9,555 USD 300	10,829 USD 340	66,810
ONYX	74,848 USD 2,350	74,848 USD 2,350	930,610
JETWAY	541,450 USD 17,000	541,450 USD 17,000	805,087

Note 1：The methods for engaging in investment in Mainland China include the following:

a. Direct investment in Mainland China.

b. Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of the company in third region).

c. Other methods.

Note 2：The investment income (loss) recognized in current period:

Please specify no investment income (loss) has been recognized due to the investment is still during development stage.

The investment income (loss) were determined based on the following basis:

a. The financial report was reviewed by an international accounting firm in cooperation with an R.O.C. accounting firm.

b. Others.

Note 3：In accordance with the “Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China”, there is no upper limit on investment.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report Thereon

December 31, 2025 and 2024

(Stock Code: 2357)

Address: No.15, Li-Te Rd., Peitou, Taipei, Taiwan, R.O.C.

Telephone: 886-2-2894-3447

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

pwc 資誠

Independent Auditors' Report

To the Board of Directors and Shareholders of

ASUSTEK COMPUTER INC.:

Opinion

We have audited the accompanying consolidated balance sheets of ASUSTEK COMPUTER INC. and its subsidiaries (the "Group") as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other independent auditors, as described in the Other matter section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

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Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2025 consolidated financial statements are stated as follows:

Evaluation of inventories

Description

Refer to Note 4(14) for the accounting policies on the evaluation of inventories, Note 5 for the uncertainty of accounting estimations and assumptions for evaluation of inventories, and Note 6(9) for the details of inventory valuation.

The Group is primarily engaged in the design, R&D, and sales of 3C products. Due to the rapid technological innovations and competition within the industry, frequent releases of new products result in potential price fluctuations and product marginalization in the market. Additionally, it also affects the estimation of net realizable values of inventories.

In response to changing markets and its development strategies, the Group adjusts its inventory levels. The Group's primary product line is notebook computer. As a result, the related inventory levels for the product line as mentioned above are significant. Management evaluates inventories stated at the lower of cost and net realizable value. Since the evaluation of inventories is subject to management's judgment and the accounting estimations will have significant influence on the inventory values, the evaluation of inventories has been identified as one of the key audit matters.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Assessed the policy on allowance for inventory valuation loss based on our understanding of the Group's operations and industry.
2. Inspected the management's individually identified out-of-date inventory list and checked the related supporting documents.
3. Tested the basis of market value used in calculating the net realizable value of inventory and validated the accuracy of net realizable value calculation of selected samples.

Refund liabilities - sales returns and discounts

Description

Refer to Note 4(34) for the accounting policies on estimations for sales returns and discounts, Note 5 for the uncertainty of accounting estimations and assumptions for refund liabilities - sales returns and discounts, and Note 6(18) for the details of refund liabilities - sales returns and discounts. As of December 31, 2025, refund liabilities - sales returns and discounts amounted to $39,740,284 thousand.

The Group periodically estimates refund liabilities - sales returns and discounts based on each product line's actual sales returns and discounts, and considers if there are special factors which will affect the original estimations. Since the refund liabilities - sales returns and discounts is subject to management's judgment and the market of 3C products changes rapidly, management's use of historical experience to accrue for future sales returns and discounts will cause uncertainty of accounting estimations. Thus, provision for sales returns and discounts has been identified as one of the key audit matters.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Assessed the reasonableness of policies used in estimating refund liabilities - sales returns and discounts, taking into consideration actual sales returns and discounts. Performed sample testing to verify that accrual rates have been approved appropriately.
2. Selected samples and tested the calculation logic used in the refund liabilities - sales returns and discounts statements, including accrual and reversal statements of refund liabilities - sales returns and discounts.
3. Selected samples and confirmed whether accrual amounts based on the accrual statements of refund liabilities - sales returns and discounts have been properly recognized in the financial statements.

4. Selected samples and confirmed whether the reversal amounts based on the reversal statements of refund liabilities - sales returns and discounts have been properly recognized in the financial statements and checked against the original vouchers.

Other matter – Reference to the audits of other independent auditors

We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for under the equity method, which statements reflect total assets of $26,147,631 thousand and $22,556,580 thousand (including investments accounted for under the equity method amounting to $8,472,879 thousand and $7,827,464 thousand), constituting 4.14% and 4.05% of consolidated total assets as of December 31, 2025 and 2024, respectively, total operating revenues of $14,418,455 thousand and $10,395,738 thousand, constituting 1.95% and 1.77% of consolidated total operating revenues for the years ended December 31, 2025 and 2024, respectively, and the share of profit and other comprehensive income of associates and joint ventures accounted for under the equity method of $1,503,486 thousand and $1,164,759 thousand, constituting 5.91% and 2.81% of consolidated total comprehensive income for the years ended December 31, 2025 and 2024, respectively. The financial statements of these investee companies were audited by other independent auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and information disclosed relative to these consolidated subsidiaries and investments accounted for under the equity method, is based solely on the reports of other independent auditors.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion with an Other matter section on the parent company only financial statements of ASUSTEK COMPUTER INC. as of and for the years ended December 31, 2025 and 2024.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the Audit Committee, are responsible for overseeing the Group's financial reporting process.

Independent auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Chang, Shu-Chiung　　Hsu, Sheng-Chung

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 10, 2026

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS	NOTES	DECEMBER 31, 2025 AMOUNT	%	DECEMBER 31, 2024 AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	$ 90,078,729	14	$ 94,037,992	17
Financial assets at fair value through profit or loss – current	6(2)	841,631	-	2,619,842	1
Financial assets at fair value through other comprehensive income – current	6(3)	1,598,265	-	681,019	-
Financial assets at amortized cost – current	6(4)	6,674,054	1	5,031,794	1
Derivative financial assets for hedging – current	6(5)	67,310	-	853,038	-
Notes receivable	6(6)	5,462,514	1	7,894,697	1
Trade receivables	6(6)(7)(8) and 7	133,864,332	21	99,183,473	18
Other receivables	7	1,130,391	-	1,200,982	-
Inventories	6(9)	197,642,474	32	152,619,677	27
Prepayments	9	15,739,194	3	14,748,951	3
Other current assets	8	734,911	-	371,510	-
Total current assets		453,833,805	72	379,242,975	68
Non-current assets					
Financial assets at fair value through profit or loss – non-current	6(2)	1,739,625	-	722,359	-
Financial assets at fair value through other comprehensive income – non-current	6(3)	71,476,968	11	87,111,996	16
Financial assets at amortized cost – non-current	6(4) and 8	141,540	-	5,947,095	1
Investments accounted for under equity method	6(10)	30,891,601	5	29,829,723	5
Property, plant and equipment	6(11) and 8	21,358,916	3	20,838,039	4
Right-of-use assets	6(12)	2,177,190	-	2,143,473	-
Investment property		8,897,562	2	8,626,004	2
Intangible assets	6(13)	13,282,961	2	2,891,008	1
Deferred income tax assets	6(28)	23,390,110	4	16,321,820	3
Other non-current assets	8 and 9	4,466,441	1	2,849,143	-
Total non-current assets		177,822,914	28	177,280,660	32
TOTAL ASSETS		$ 631,656,719	100	$ 556,523,635	100

(Continued)

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

LIABILITIES AND EQUITY	NOTES	DECEMBER 31, 2025 AMOUNT	%	DECEMBER 31, 2024 AMOUNT	%
Current liabilities					
Short-term borrowings	6(14)(30)	$ 29,681,710	5	$ 25,200,887	5
Financial liabilities at fair value through profit or loss – current	6(2)	404,581	-	28,576	-
Derivative financial liabilities for hedging – current	6(5)	166,431	-	13,327	-
Contract liabilities – current	6(23)	5,474,941	1	2,338,065	-
Notes and trade payables	6(8) and 7	119,583,720	19	73,996,978	13
Other payables – accrued expenses	7	51,792,676	8	44,051,626	8
Current income tax liabilities		19,297,179	3	10,157,409	2
Provisions for liabilities – current	6(17) and 9	34,580,419	6	33,458,183	6
Lease liabilities – current	6(30)	505,387	-	481,744	-
Current portion of long-term borrowings	6(15)(30)	72,907	-	95,612	-
Refund liabilities – current	6(18)	39,740,284	6	36,156,193	7
Other current liabilities	7	6,046,748	1	5,888,716	1
Total current liabilities		307,346,983	49	231,867,316	42
Non-current liabilities					
Long-term borrowings	6(15)(30)	293,123	-	366,030	-
Deferred income tax liabilities	6(28)	21,752,011	3	23,072,889	4
Lease liabilities – non-current	6(30)	1,216,377	-	1,292,564	-
Other non-current liabilities	6(16)(23)	3,485,028	1	2,727,318	1
Total non-current liabilities		26,746,539	4	27,458,801	5
Total liabilities		334,093,522	53	259,326,117	47
Equity attributable to shareholders of the parent					
Share capital – common shares	6(19)	7,427,603	1	7,427,603	1
Capital surplus	6(20)	17,376,367	3	16,783,484	3
Retained earnings	6(21)				
Legal reserve		50,230,919	8	47,046,433	9
Special reserve		693,928	-	693,928	-
Unappropriated retained earnings		151,079,055	24	134,888,504	24
Other equity interest	6(3)(5)(22)	41,489,046	6	62,699,692	11
Total equity attributable to shareholders of the parent		268,296,918	42	269,539,644	48
Non-controlling interest		29,266,279	5	27,657,874	5
Total equity		297,563,197	47	297,197,518	53
TOTAL LIABILITIES AND EQUITY		$ 631,656,719	100	$ 556,523,635	100

The accompanying notes are an integral part of these consolidated financial statements.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE IN NEW TAIWAN DOLLARS)

ITEMS	NOTES	YEAR ENDED DECEMBER 31 2025 AMOUNT	2025 %	2024 AMOUNT	2024 %
Operating revenue	6(23) and 7	$ 738,904,787	100	$ 587,087,097	100
Operating (costs)	6(9)(11)(12)(13)(16)(17)(26)(27), 7 and 9	(627,289,287)	(85)	(483,616,600)	(82)
Gross profit		111,615,500	15	103,470,497	18
Unrealized (gain) loss from sales		(1,155)	-	3,600	-
Gross profit		111,614,345	15	103,474,097	18
Operating (expenses)	6(11)(12)(13)(16)(17)(26)(27), 7 and 9				
Selling (expenses)		(40,292,335)	(6)	(35,417,819)	(6)
General and administrative (expenses)		(11,388,142)	(2)	(11,359,250)	(2)
Research and development (expenses)		(24,846,804)	(3)	(22,036,373)	(4)
Expected credit impairment (losses) gains	12(2)	4,569,007	1	(5,065,283)	(1)
Total operating (expenses)		(71,958,274)	(10)	(73,878,725)	(13)
Operating profit (loss)		39,656,071	5	29,595,372	5
Non-operating income and (expenses)					
Interest income	6(3)(4)	3,872,320	1	3,460,979	1
Other income	6(3)(24)	3,328,497	-	3,203,377	-
Other gains (losses)	6(2)(4)(5)(11)(12)(25)	5,281,796	1	4,208,958	1
Finance (costs)	6(12)	(989,310)	-	(739,472)	-
Share of profit (loss) of associates and joint ventures accounted for under equity method	6(10)	3,858,666	-	2,461,163	-
Total non-operating income and (expenses)		15,351,969	2	12,595,005	2
Profit (Loss) before income tax		55,008,040	7	42,190,377	7
Income tax (expenses) benefit	6(28)	(6,791,433)	(1)	(7,951,474)	(1)
Profit (Loss) for the year		$ 48,216,607	6	$ 34,238,903	6
Other comprehensive income (loss)					
Items that will not be reclassified to profit or (loss)					
Gains (losses) on remeasurements of defined benefit plans	6(16)(22)	($ 28,903)	-	$ 38,439	-
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(22)	(16,483,500)	(2)	(45,160)	-
Gains (losses) on hedging instrument that will not be reclassified to profit or loss	6(5)(22)	(801,713)	-	-	-
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(10)(22)	(504,806)	-	142,228	-
Income tax (expense) benefit relating to items that will not be reclassified	6(22)(28)	(14,817)	-	(139,578)	-
Items that will be reclassified to profit or (loss)					
Financial statements translation differences of foreign operations	6(22)	(3,579,719)	(1)	5,923,626	1
Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income		127,144	-	(87,657)	-
Gains (losses) on hedging instrument	6(5)(22)	(938,832)	-	1,548,960	-
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(10)(22)	(1,317,596)	-	1,015,576	-
Income tax (expense) benefit relating to items that will be reclassified	6(22)(28)	745,222	-	(1,188,786)	-
Other comprehensive income (loss) for the year		($ 22,797,520)	(3)	$ 7,207,648	1
Total comprehensive income (loss) for the year		$ 25,419,087	3	$ 41,446,551	7
Profit (loss) attributable to:					
Shareholders of the parent		$ 44,557,824	6	$ 31,393,856	5
Non-controlling interests		3,658,783	-	2,845,047	1
		$ 48,216,607	6	$ 34,238,903	6
Total comprehensive income (loss) attributable to:					
Shareholders of the parent		$ 23,076,840	3	$ 37,948,233	6
Non-controlling interests		2,342,247	-	3,498,318	1
		$ 25,419,087	3	$ 41,446,551	7
Earnings (loss) per share:					
Basic earnings (loss) per share	6(29)	$ 59.99		$ 42.27	
Diluted earnings (loss) per share	6(29)	$ 59.51		$ 42.03	

The accompanying notes are an integral part of these consolidated financial statements.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Equity attributable to owners of the parent											
			Retained Earnings			Other Equity Interest						
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Remeasurements of defined benefit plan	Total	Non-controlling interests	Total equity
Year ended December 31, 2025												
Balance at January 1, 2025	$ 7,427,603	$ 16,783,484	$ 47,046,433	$ 693,928	$ 134,888,504	$ 5,155,882	$ 56,823,384	$ 755,766	($ 35,340)	$ 269,539,644	$ 27,657,874	$ 297,197,518
Appropriations of 2024 earnings (Note 6(21))												
Legal reserve	-	-	3,184,486	-	(3,184,486)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(25,253,849)	-	-	-	-	(25,253,849)	-	(25,253,849)
Profit for the year	-	-	-	-	44,557,824	-	-	-	-	44,557,824	3,658,783	48,216,607
Other comprehensive income (loss) for the year	-	-	-	-	-	(3,486,331)	(16,690,990)	(1,280,232)	(23,431)	(21,480,984)	(1,316,536)	(22,797,520)
Change in associates and joint ventures accounted for under equity method	-	413,048	-	-	-	-	-	-	-	413,048	-	413,048
Recognition of changes in ownership interest in subsidiaries	-	179,008	-	-	-	-	-	-	-	179,008	-	179,008
Reclassification of cost of non-financial assets	-	-	-	-	-	-	-	341,400	-	341,400	460,313	801,713
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	657	-	-	-	-	-	-	-	657	-	657
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	(1,194,155)	(1,194,155)
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	71,062	-	(71,062)	-	-	-	-	-
Group reorganization	-	170	-	-	-	-	-	-	-	170	-	170
Balance at December 31, 2025	$ 7,427,603	$ 17,376,367	$ 50,230,919	$ 693,928	$ 151,079,055	$ 1,669,551	$ 40,061,332	($ 183,066)	($ 58,771)	$ 268,296,918	$ 29,266,279	$ 297,563,197
Year ended December 31, 2024												
Balance at January 1, 2024	$ 7,427,603	$ 12,380,727	$ 45,445,605	$ 693,928	$ 117,271,397	($ 121,556)	$ 57,492,527	($ 709,249)	($ 65,403)	$ 239,815,579	$ 19,166,403	$ 258,981,982
Appropriations of 2023 earnings (Note 6(21))												
Legal reserve	-	-	1,600,828	-	(1,600,828)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(12,626,925)	-	-	-	-	(12,626,925)	-	(12,626,925)
Profit for the year	-	-	-	-	31,393,856	-	-	-	-	31,393,856	2,845,047	34,238,903
Other comprehensive income (loss) for the year	-	-	-	-	-	5,277,438	(218,139)	1,465,015	30,063	6,554,377	653,271	7,207,648
Change in associates and joint ventures accounted for under equity method	-	586,780	-	-	-	-	-	-	-	586,780	-	586,780
Recognition of changes in ownership interest in subsidiaries	-	3,844,767	-	-	-	-	-	-	-	3,844,767	-	3,844,767
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(3,500)	-	-	-	-	-	-	-	(3,500)	-	(3,500)
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	4,993,153	4,993,153
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	451,004	-	(451,004)	-	-	-	-	-
Group reorganization	-	(25,290)	-	-	-	-	-	-	-	(25,290)	-	(25,290)
Balance at December 31, 2024	$ 7,427,603	$ 16,783,484	$ 47,046,433	$ 693,928	$ 134,888,504	$ 5,155,882	$ 56,823,384	$ 755,766	($ 35,340)	$ 269,539,644	$ 27,657,874	$ 297,197,518

The accompanying notes are an integral part of these consolidated financial statements.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025 AND 2024

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	YEAR ENDED DECEMBER 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	$ 55,008,040	$ 42,190,377
Income and expense that result in non-cash flows		
Depreciation (including investment property and right-of-use assets)	2,311,585	2,276,329
Amortization	805,571	617,624
Expected credit impairment (gains) losses	(4,569,007)	5,065,283
Expected credit impairment (gains) losses – debt instruments	(8,278)	(1,404)
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	1,745,056	(3,914,492)
Share of profit of associates and joint ventures accounted for under equity method	(3,858,666)	(2,461,163)
Interest income	(3,872,320)	(3,460,979)
Dividend income	(3,089,895)	(2,976,210)
Interest expense	989,310	739,472
Others	189,368	(21,604)
Changes relating to operating activities		
Financial assets at fair value through profit or loss	2,848,535	3,009,426
Notes receivable	2,433,000	(2,904,864)
Trade receivables	(29,744,017)	(22,628,986)
Other receivables	14,657	209,860
Inventories	(44,613,253)	(29,829,338)
Prepayments	(1,020,383)	(222,134)
Other current assets	(357,448)	(137,929)
Financial liabilities at fair value through profit or loss	(3,501,685)	(1,915,857)
Contract liabilities	3,621,521	28,100
Notes and trade payables	45,538,946	17,029,730
Other payables - accrued expenses	7,528,566	4,978,414
Provisions for liabilities	1,130,995	1,216,966
Refund liabilities	3,584,091	89,256
Other current liabilities	457,087	1,328,165
Other operating liabilities	34,472	(46,334)
Receipt of interest	4,030,355	3,402,492
Payment of interest	(1,005,853)	(679,364)
Payment of income tax	(6,300,016)	(2,950,462)
Net cash flows provided by (used in) operating activities	30,330,334	8,030,374
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(1,964,693)	(2,615,145)
Proceeds from disposal of financial assets at fair value through other comprehensive income	210,979	131,138
Acquisition of financial assets at amortized cost	(2,244,247)	(2,099,989)
Proceeds from disposal of financial assets at amortized cost	5,859,499	1,695,450
Acquisition of investments accounted for under equity method	(181,349)	(116,572)
Acquisition of property, plant and equipment	(2,244,752)	(2,067,864)
Proceeds from disposal of property, plant and equipment	65,014	67,987
Acquisition of investment property	(80,260)	(179,153)
Acquisition of intangible assets	(586,940)	(494,574)
Increase (decrease) in deposits received	(1,229,200)	(964,569)
Changes in other non-current assets	(770,605)	(554,738)
Dividends received	5,148,416	3,976,253
Net cash flows from acquisition of subsidiaries (net of cash acquired)	(10,167,633)	-
Others	2,885	31,396
Net cash flows provided by (used in) investing activities	(8,182,886)	(3,190,380)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	4,584,269	8,802,223
Increase in long-term borrowings	-	300,000
Decrease in long-term borrowings	(95,612)	(33,332)
Payment of cash dividends	(25,253,849)	(12,626,925)
Redemption of lease liabilities	(629,800)	(738,094)
Increase (decrease) in deposits received	215,648	151,493
Change in non-controlling interest	(2,015,148)	8,927,537
Others	(26,487)	22,814
Net cash flows provided by (used in) financing activities	(23,220,979)	4,805,716
Effects due to changes in exchange rate	(2,885,732)	5,165,677
Net increase (decrease) in cash and cash equivalents	(3,959,263)	14,811,387
Cash and cash equivalents at beginning of year	94,037,992	79,226,605
Cash and cash equivalents at end of year	$ 90,078,729	$ 94,037,992

The accompanying notes are an integral part of these consolidated financial statements.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2025 AND 2024
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. **HISTORY AND ORGANIZATION**

(1) ASUSTEK COMPUTER INC. (ASUS or the Company) was established in the Republic of China (R.O.C.). The Company is primarily engaged in the design, R&D and sales of 3C products (including PCs, main boards, other boards and cards, smart phones and other handheld devices, etc.).

(2) The Company resolved to spin-off its OEM businesses on January 1, 2008. Pursuant to the Company's resolution, the Company transferred its computer OEM, design and manufacture of computer cases and molds and non-computer OEM businesses to its spun-off subsidiaries, PEGATRON CORPORATION (PEGATRON) and UNIHAN CORPORATION, respectively. On June 1, 2010, however, the Company transferred further its OEM assets and business (the Company's investments accounted for under equity method in PEGATRON) to the Company's another investee, PEGATRON INTERNATIONAL INVESTMENT CO. LTD. (PII). PII issued new shares to the Company and its shareholders as consideration. On April 29, 2013, the Company disposed the partial shares of PEGATRON and reduced the ownership percentage to less than 20%.

2. **THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION**

These consolidated financial statements were authorized for issuance by the Board of Directors and issued on March 10, 2026.

3. **APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS**

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

These amendments require an entity to update the disclosures for equity instruments designated at fair value through other comprehensive income. The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognized during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognized during that reporting period.

(3) IFRS Accounting Standards issued by International Accounting Standards Board but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027 (Note)
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027

Note：The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following significant items, these consolidated financial statements have been prepared under the historical cost convention:

(A) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(B) Financial assets at fair value through other comprehensive income.

(C) Defined benefit liabilities recognized at the net amount of pension fund assets less present value of defined benefit obligation.

B. The critical accounting estimates and assumptions used in preparation of financial statements and the critical judgements in applying the Group's accounting policies are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements

(A) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(B) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(C) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests.

(D) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(E) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Main business activities	Ownership (%) December 31, 2025	Ownership (%) December 31, 2024	Remark
ASUS	ASUS COMPUTER INTERNATIONAL (ACI)	Selling of 3C products in North America	100.00	100.00	
ASUS	ASUS TECHNOLOGY INCORPORATION (ASUTC)	Selling of 3C products in Taiwan	100.00	100.00	
ASUS	ASUS HOLLAND B. V. (ACH)	Repairing of 3C products	100.00	100.00	
ASUS	ASUS INTERNATIONAL LIMITED (AIL)	Investing of 3C and computer peripheral business	100.00	100.00	
ASUS	ASUS GLOBAL PTE. LTD. (ASGL)	Selling of 3C products	100.00	100.00	
ASUS	ASUS CLOUD CORPORATION (ASUSCLOUD)	Selling of internet service	96.53	96.53	
ASUS	ASUS TECHNOLOGY LICENSING (ATL)	Researching, developing and authorizing of communication technology	100.00	100.00	
ASUS	ASUS METAVERSE INC. (AMV)	Selling of metaverse service	100.00	100.00	
ASUS	ASUS LIFE CORPORATION (ASUSLC)	Selling of internet information service	90.00	90.00	
ASUS	ASKEY COMPUTER CORP. (ASKEY)	Designing, manufacturing, repairing and selling of communication products and computer peripheral spare parts	100.00	100.00	
ASUS	HUA-CHENG VENTURE CAPITAL CORP. (HCVC)	Investing of computer peripheral business	100.00	100.00	
ASUS	HUA-MIN INVESTMENT CO., LTD. (HMI)	Investing of computer peripheral business	100.00	100.00	
ASUS	QUANTUM CLOUD INTERNATIONAL PTE. LTD. (QCI)	Selling of information technology	100.00	100.00	
ASUS	JINSHUO CULTURAL DIFFUSION CO., LTD. (JSCD)	Participating and promoting of professional eSports	100.00	100.00	
ASUS	UNIMAX ELECTRONICS INCORPORATION (UEI)	Manufacturing and selling of automotive electronics and computer peripherals	100.00	100.00	
ASUS	DATASUS COMPUTER INC. (DATASUS)	Investing of industrial server peripheral products business	100.00	100.00	
ASUS	ASUS TECH USA (ATUS)	Researching and developing of 3C products	100.00	100.00	
ASUS	TAIWAN HEALTH AND BIO DATABANK TECHNOLOGY INC. (THBDT)	Selling of medical data integration and analytics	65.00	-	
ASUS	MEDUS TECHNOLOGY INC. (MEDUS)	Selling of information system service	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%) December 31, 2025	Ownership (%) December 31, 2024	Remark
ASUS and HCVC	SHINEWAVE INTERNATIONAL INC. (SWI)	Researching, developing and selling of information system software	51.00	51.00	
ASUS and HCVC	INTERNATIONAL UNITED TECHNOLOGY CO., LTD. (TAIWAN) (IUT)	Researching, developing, manufacturing and selling of ink-jet print heads and ink-jet digital image output technology	69.25	69.25	
ASUS and HCVC	PT. ASUS TECHNOLOGY INDONESIA BATAM (ACBT)	Selling of 3C products in Indonesia	100.00	100.00	
ASUS and HCVC	PT. ASUS TECHNOLOGY INDONESIA JAKARTA (ACJK)	Selling of 3C products in Indonesia	100.00	100.00	
ASUS and HCVC	SHINYOPTICS CORP. (SHINYOPTICS)	Researching, developing, manufacturing and selling of virtual image optical engines and vehicle head-up displays	90.04	83.30	
ASUS and ASTP	ASUS TECHNOLOGY PRIVATE LIMITED (ACIN)	Supporting and repairing of 3C products in India	100.00	100.00	
ASUS and ASTP	ASUS INDIA PRIVATE LIMITED (ASIN)	Selling of 3C products in India	100.00	100.00	
ASUS and ASUSCLOUD	TAIWAN AI CLOUD CORPORATION (TWS)	Selling of AI computing	74.18	80.60	Note
ASUS, HCVC and HMI	ASMEDIA TECHNOLOGY INC. (ASMEDIA)	Designing, researching, developing and manufacturing of high-speed analog circuit	42.56	42.58	
ASUS, HCVC and HMI	AAEON TECHNOLOGY INC. (AAEON)	Manufacturing and selling of industrial computers and computer peripherals	37.46	37.46	
ASUS, HMI and AAEON	ONYX HEALTHCARE INC. (ONYX)	Designing, manufacturing and selling of medical computers	53.91	54.53	Note
ASUS, HCVC and ASUSCLOUD	ASUS MAAS CORPORATION (ASUSMAAS)	Researching, developing and selling of smart parking system and charging piles	100.00	100.00	Note
HMI GROUP	JOGEEK TECHNOLOGY LIMITED (JOGEEK)	Selling and repairing of information software and electronic information materials	100.00	100.00	
SWI GROUP	EMES (SUZHOU) CO., LTD. (EMES)	Selling of information system software	100.00	100.00	
ASKEY GROUP	ASKEY INTERNATIONAL CORP. (ASKEYI)	Selling, repairing and supporting of communication products	100.00	100.00	
ASKEY GROUP	DYNALINK INTERNATIONAL CORP. (DIC)	Investing of communication business	100.00	100.00	
ASKEY GROUP	MAGIC INTERNATIONAL CO., LTD. (MIC)	Investing of communication business	100.00	100.00	
ASKEY GROUP	MAGICOM INTERNATIONAL CORP. (MAGICOM)	Investing of communication business	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%) December 31, 2025	Ownership (%) December 31, 2024	Remark
ASKEY GROUP	YANG XU ELECTRONIC TECHNOLOGY (SHANGHAI) LTD. (ASKEYSH)	Researching, developing and selling of communication products	100.00	100.00	
ASKEY GROUP	ASKEY TECHNOLOGY (JIANGSU) LTD. (ASKEYJS)	Manufacturing and selling of communication products	100.00	100.00	
ASKEY GROUP	WISE ACCESS (HK) LIMITED (WISE)	Investing of communication business	100.00	100.00	
ASKEY GROUP	ASKEY COMMUNICATION SAS (ASKEYFR)	Selling and supporting of communication products	100.00	100.00	
ASKEY GROUP	ASKEY COMMUNICATION GMBH (ASKEYCG)	Selling and supporting of communication products	100.00	100.00	
ASKEY GROUP	ASKEY DO BRASIL TECNOLOGIA LTDA. (ASKEYBR)	Selling and supporting of communication products	100.00	100.00	
ASKEY GROUP	ASKEY CORPORATION (THAILAND) CO., LTD. (ASKEYTH)	Selling and supporting of communication products	100.00	100.00	
ASKEY GROUP	ASKEY JAPAN CO., LTD. (ASKEYJP)	Selling and supporting of communication products	100.00	100.00	
ASKEY GROUP	ASKEY DIGITAL TECHNOLOGY CORP. (ASKEYDT)	Selling and supporting of communication products	100.00	100.00	
ASKEY GROUP	WONDALINK INC. (WONDA)	Manufacturing and designing of wired and wireless communication, electronic parts products, etc.	100.00	100.00	
ASKEY GROUP	ASKEYUK CO. LIMITED (ASKEYUK)	Selling and supporting of communication products	100.00	100.00	
ASKEY GROUP	DYNALINK NETWORK SOLUTIONS S. A. DE C. V. (DNS)	Selling and supporting of communication products	100.00	100.00	
ASKEY GROUP	ASKEY TECHNOLOGY (VIET NAM) COMPANY LIMITED (ASKEYVNBN)	Manufacturing and selling of communication products	100.00	100.00	
ASMEDIA GROUP	TECHPOINT, INC. (TECHPOINT)	Selling of semiconductor IC chip	100.00	-	
TECHPOINT GROUP	TECHPOINT JAPAN K.K. (TECHJP)	Designing and developing of semiconductor IC chip	100.00	-	
TECHPOINT GROUP	TECHPOINT TECHNOLOGY (SHENZHEN) CO., LTD. (TECHSZ)	Designing and developing of semiconductor IC chip	100.00	-	
AAEON GROUP	AAEON ELECTRONICS, INC. (AAEONEI)	Selling of industrial computers and computer peripherals	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY CO., LTD. (AAEONTCL)	Investing of industrial computers and interface cards business	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY (EUROPE) B. V. (AAEONEU)	Selling of industrial computers and computer peripherals	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%) December 31, 2025	Ownership (%) December 31, 2024	Remark
AAEON GROUP	AAEON TECHNOLOGY GMBH (AAEONG)	Selling of industrial computers and computer peripherals	100.00	100.00	
AAEON GROUP	AAEON INVESTMENT CO., LTD. (AAEONI)	Investing of industrial computers and computer peripherals business	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY SINGAPORE PTE. LTD. (AAEONSG)	Selling of industrial computers and computer peripherals	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY (SUZHOU) INC. (AAEONSZ)	Manufacturing and selling of industrial computers and interface cards	100.00	100.00	
AAEON GROUP	JETWAY INFORMATION CO., LTD.(JETWAY)	Manufacturing and selling of industrial motherboard and computer peripherals	35.29	35.29	
ONYX GROUP	ONYX HEALTHCARE USA, INC. (ONYXHU)	Selling of medical computers and peripherals	100.00	100.00	
ONYX GROUP	ONYX HEALTHCARE EUROPE B. V. (ONYXHE)	Marketing support and repairing of medical computers and peripherals	100.00	100.00	
ONYX GROUP	ONYX HEALTHCARE (SHANGHAI) LTD. (ONYXSH)	Selling of medical computers and peripherals	100.00	100.00	
ONYX GROUP	IHELPER INC. (IHELPER)	Researching, developing and selling of medical robots	46.00	46.00	
JETWAY GROUP	JET WAY COMPUTER CORP. (JETWAYUS)	Selling and repairing of computer peripheral equipment	100.00	100.00	
JETWAY GROUP	JET WAY COMPUTER B.V. (JETWAYNL)	Selling and repairing of computer peripheral equipment	100.00	100.00	
JETWAY GROUP	JET WAY (FAR EAST) INFORMATION COMPANY LIMITED (JETWAYFE)	Investing of computer peripheral business	100.00	100.00	
JETWAY GROUP	TOP NOVEL ENTERPRISE CORP. (TOPNOVEL)	Investing of computer peripheral business	100.00	100.00	
JETWAY GROUP	SCORETIME INVESTMENT LIMITED (SCORETIME)	Investing of computer peripheral business	100.00	100.00	
JETWAY GROUP	CANDID INTERNATIONAL CORP. (CANDID)	Investing of computer peripheral business	100.00	100.00	
JETWAY GROUP	FUJIAN CANDID INTERNATIONAL CO., LTD. (FUJIAN)	Manufacturing and selling of computer and peripheral equipment	100.00	100.00	
ASUSCLOUD GROUP	ASUS CLOUD SINGAPORE PTE. LTD. (ASUSCLOUDSG)	Investing of internet service business	-	100.00	
ASUSCLOUD GROUP	ASUS CLOUD (LUXEMBOURG) S. A R. L. (ASUSCLOUDLB)	Maintaining and operating service of information hardware	-	100.00	

Investor	Subsidiary	Main business activities	Ownership (%) December 31, 2025	Ownership (%) December 31, 2024	Remark
JSCD GROUP	JINRUO CULTURAL DIFFUSION CO., LTD. (JRCD)	Participating and promoting of professional eSports	100.00	100.00	
DATASUS GROUP	DATASUS COMPUTER AMERICA (DATASUSUS)	Manufacturing and selling of industrial server peripheral products	100.00	100.00	
AIL GROUP	CHANNEL PILOT LIMITED (CHANNEL)	Investing of 3C business	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY PTE. LIMITED (ASTP)	Investing of 3C business	100.00	100.00	
AIL GROUP	ASUS MIDDLE EAST FZCO (ACAE)	Supporting and repairing of 3C products in Middle East	100.00	100.00	
AIL GROUP	ASUS EGYPT L. L. C. (ACEG)	Supporting of 3C products in Egypt	100.00	100.00	
AIL GROUP	ASUS COMPUTER GMBH (ACG)	Selling and supporting of 3C products in Germany	100.00	100.00	
AIL GROUP	ASUS FRANCE SARL (ACF)	Supporting of 3C products in France	100.00	100.00	
AIL GROUP	ASUSTEK (UK) LIMITED (ACUK)	Supporting of 3C products in United Kingdom	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY (HONG KONG) LIMITED (ACHK)	Supporting and repairing of 3C products in Hong Kong	100.00	100.00	
AIL GROUP	ASUS KOREA CO., LTD. (ACKR)	Supporting and repairing of 3C products in South Korea	100.00	100.00	
AIL GROUP	ASUS POLSKA SP. Z O. O. (ACPL)	Supporting of 3C products in Poland	100.00	100.00	
AIL GROUP	ASUS EUROPE B.V. (ACNL)	Selling of 3C products	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY (VIETNAM) CO., LTD. (ACVN)	Supporting and repairing of 3C products in Vietnam	100.00	100.00	
AIL GROUP	ASUSTEK ITALY S. R. L. (ACIT)	Supporting of 3C products in Italy	100.00	100.00	
AIL GROUP	ASUS SPAIN, S. L. U. (ACIB)	Supporting of 3C products in Spain	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY (SUZHOU) CO., LTD. (ACSZ)	Researching and developing of 3C products	100.00	100.00	
AIL GROUP	ASUS JAPAN INCORPORATION (ACJP)	Selling of 3C products in Japan	100.00	100.00	
AIL GROUP	ASUS COMPUTER CZECH REPUBLIC S. R. O. (ACCZ)	Supporting of 3C products in Czech Republic	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTER (SHANGHAI) CO., LTD. (ACSH)	Selling of 3C products in China	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%) December 31, 2025	Ownership (%) December 31, 2024	Remark
AIL GROUP	ASUS SERVICE AUSTRALIA PTY LIMITED (ASAU)	Repairing of 3C products in Australia	100.00	100.00	
AIL GROUP	ASUS AUSTRALIA PTY LIMITED (ACAU)	Supporting of 3C products in Australia	100.00	100.00	
AIL GROUP	ACBZ IMPORTACAO E COMERCIO LTDA. (ACBZ)	Selling of 3C products in Brazil	100.00	100.00	
AIL GROUP	ASUS ISRAEL (TECHNOLOGY) LTD. (ACIL)	Supporting of 3C products in Israel	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTER (CHONGQING) CO., LTD. (ACCQ)	Selling of 3C products in China	100.00	100.00	
AIL GROUP	ASUS PERU S. A. C. (ACPE)	Supporting of 3C products in Peru	100.00	100.00	
AIL GROUP	PT. ASUS SERVICE INDONESIA (ASID)	Repairing of 3C products in Asia-pacific and America	100.00	100.00	
AIL GROUP	ASUS HOLDING MEXICO, S. A. DE C. V. (ACMH)	Selling of 3C products in Mexico	100.00	100.00	
AIL GROUP	ASUS PORTUGAL, SOCIEDADE UNIPESSOAL LDA. (ACPT)	Supporting of 3C products in Portugal	100.00	100.00	
AIL GROUP	ASUS HUNGARY SERVICES LIMITED LIABILITY COMPANY (ACHU)	Supporting of 3C products in Hungary	100.00	100.00	
AIL GROUP	ASUS SWITZERLAND GMBH (ACCH)	Supporting of 3C products in Switzerland	100.00	100.00	
AIL GROUP	ASUS NORDIC AB (ACN)	Supporting of 3C products in North Europe	100.00	100.00	
AIL GROUP	ASUS COMPUTER COLOMBIA S. A. S. (ACCO)	Supporting of 3C products in Colombia	100.00	100.00	
AIL GROUP	ASUS (THAILAND) CO., LTD. (ACTH)	Supporting of 3C products in Thailand	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTERS (PTY) LIMITED (ACZA)	Supporting and repairing of 3C products in Africa	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTER MALAYSIA SDN. BHD. (ACMY)	Supporting and repairing of 3C products in Malaysia	100.00	100.00	
AIL GROUP	ASUS BILGISAYAR SISTEMLERI TICARET LIMITED SIRKETI (ACTR)	Supporting and repairing of 3C products in Turkey	100.00	100.00	
AIL GROUP	ASUS CHILE SPA (ACCL)	Supporting of 3C products in Chile	100.00	100.00	
AIL GROUP	ASUS SERVICE (THAILAND) CO., LTD. (ASTH)	Repairing of 3C products in Thailand	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%) December 31, 2025	Ownership (%) December 31, 2024	Remark
AIL GROUP	ASUS PHILIPPINES CORPORATION (ASPH)	Supporting and repairing of 3C products in Philippines	100.00	100.00	
AIL GROUP	ASUS COMPUTER (SHANGHAI) CO., LTD. (ACS)	Repairing of 3C products	100.00	100.00	
AIL GROUP	ASUS INVESTMENTS (SUZHOU) CO., LTD. (ACISZ)	Leasing of real estate	100.00	100.00	
AIL GROUP	ASUS CZECH SERVICE S. R. O. (ACCZS)	Repairing of 3C products in Europe	100.00	100.00	
AIL GROUP	ASUS PROPERTIES (VIETNAM) LTD. (APVN)	Leasing and selling of real estate	100.00	100.00	
AIL GROUP	LIABILITY LIMITED COMPANY A25 (A25)	Selling of 3C products in Russia	100.00	100.00	
AIL GROUP	ASUS UKRAINE LIMITED LIABILITY COMPANY (ACUKR)	Supporting of 3C products in Ukraine	100.00	100.00	
AIL GROUP	PUSHUO CULTURE MEDIA (SHANGHAI) CO., LTD. (PSCD)	Selling of multi-channel network services	100.00	-	
AIL GROUP	ASUS COMPUTER COMMERCE B. V. (ACNLD)	Selling of 3C products	100.00	-	
AIL GROUP	AUTOASUS ELECTRONICS (SUZHOU) CO., LTD. (AESZ)	Manufacturing and selling of vehicle products in China	100.00	-	

Note : Percentage of ownership represents controlling shareholding ratio but not the comprehensive shareholding ratio.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different end of the financial reporting period: None.

E. Significant restrictions on its ability to transfer the assets and liabilities to other entities within the Group: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:
Non-controlling interests in each subsidiary are immaterial to the Group.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in "New Taiwan Dollars (NTD)", which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(A) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise, except when deferred in other comprehensive income as qualifying cash flow hedges.

(B) Monetary assets and liabilities denominated in foreign currencies are re-translated at the exchange rates prevailing at the end of the financial reporting period. Exchange differences arising upon re-translation are recognized in profit or loss.

(C) Non-monetary assets and liabilities denominated in foreign currencies at fair value through profit or loss are re-translated at the exchange rates prevailing at the end of the financial reporting period. The translation differences are recognized in profit or loss as part of the fair value gains or losses. Non-monetary assets and liabilities at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the end of the financial reporting period. The translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(D) All foreign exchange gains and losses are presented in the statement of comprehensive income within “other gains (losses)”.

B. Translation of foreign operations

(A) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a. Assets and liabilities for each balance sheets presented are translated at the closing exchange rate at the end of the financial reporting period;

b. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

c. All resulting exchange differences are recognized in other comprehensive income.

(B) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gains or losses on sale. In addition, if the Group still retains partial interests in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

(C) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interests in this foreign operation. In addition, if the Group still retains partial interests in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in these foreign operations.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

(A) Assets that are expected to be realized, or are intended to be sold or consumed in the normal operating cycle;

(B) Assets that are held primarily for the purpose of trading;

(C) Assets that are expected to be realized within 12 months after the end of the reporting period;

(D) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities for at least 12 months after the end of the reporting period.

Otherwise they are classified as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

(A) Liabilities that are expected to be paid off in the normal operating cycle;

(B) Liabilities that are held primarily for the purpose of trading;

(C) Liabilities that are due to be paid off within 12 months after the end of the reporting period;

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

Otherwise they are classified as non-current liabilities.

(6) Cash equivalents

Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits can be classified as cash equivalents if they meet the criteria mentioned above and are held for short-term cash commitments in operational purpose.

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gains or losses in profit or loss.

D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

A. At initial recognition, the Group makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading. The debt instruments are measured at fair value through other comprehensive income if both of the following conditions are met:

(A) The objective of the Group's business model is achieved by both collecting contractual cash flows and selling financial assets; and

(B) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

(A) The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(B) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognized in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets measured at amortized costs

A. Financial assets at amortized cost are those that meet all of the following criteria:

(A) The objective of the Group's business model is achieved by collecting contractual cash flows.

(B) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. Gains or losses are recognized in profit or loss when the asset is derecognized or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortized cost and accounts receivable that have a significant financing component, at each end of the financial reporting period, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

A. The contractual rights to receive cash flows from the financial asset has expired.

B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially almost all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has not retained control of financial asset.

(13) Leasing arrangements (lessor) – operating leases

Lease income from an operating lease net of any incentives given to the lessee is recognized in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials and other direct/indirect costs. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated costs necessary to make the sale.

(15) Investments accounted for under equity method

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20% or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

B. The Group's share of its associates' post-acquisition profit or loss is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in "capital surplus" in proportion to its ownership.

D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares or buys treasury stocks (including the Group does not acquire or dispose shares proportionately), which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then "capital surplus" and "investments accounted for under equity method" shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

G. Upon loss of significant influence over an associate, the amounts previously recognized in other comprehensive income and as capital surplus in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it still retains significant influence over this associate, then the amounts previously recognized in other comprehensive income and as capital surplus in relation to the associate are reclassified to profit or loss proportionately.

H. At the balance sheet date, the Group performs an impairment test for an investment in an associate when there is an indication that the investment may be impaired. The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(16) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Except for land which is not depreciated, other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it should be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of the financial reporting period. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of buildings are 5~60 years, machinery and equipment are 1~10 years and miscellaneous equipment are 1~20 years.

(17) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low value assets, lease payments are recognized in expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payment, less any lease incentives receivable. The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(A) The amount of the initial measurement of lease liability;

(B) Any lease payments made at or before the commencement date; and

(C) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognize the difference in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20~50 years.

(19) Intangible assets

A Goodwill, trademark and customer relationship arise in a business combination accounted for by applying the acquisition method, customer relationship is amortized on a straight-line basis over their estimated useful lives of 6~15 years.

B. Other intangible assets, mainly computer software, are amortized on a straight-line basis over their estimated useful lives of 1~10 years.

(20) Impairment of non-financial assets

A. The Group assesses at the end of the financial reporting period the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or decrease, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss. However, the reversal should not exceed the carrying amount, net of depreciation or amortization had the impairment not been recognized.

B. The recoverable amounts of goodwill and intangible assets with an indefinite useful life shall be evaluated periodically. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(21) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds net of transaction costs and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(22) Notes and trade payables

A. Trade payables are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and trade payables without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(23) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gains or losses recognized in profit or loss.

(24) Derecognition of financial liabilities

The Group derecognizes a financial liability when the obligation specified in the contract is either discharged or cancelled or expires.

(25) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and reported in the net amount in the balance sheets when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(26) Non-hedging derivatives

Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.

(27) Hedge accounting

A. At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements.

B. The Group designates the hedging relationship as cash flow hedge which is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

C. Cash flow hedges

(A) The cash flow hedge reserve associated with the hedged item is adjusted to the lower of the following (in absolute amounts):

a. The cumulative gains or losses on the hedging instrument from inception of the hedge; and

b. The cumulative change in fair value of the hedged item from inception of the hedge.

(B) The effective portion of the gains or losses on the hedging instrument is recognized in other comprehensive income. The gains or losses on the hedging instrument relating to the ineffective portion is recognized in profit or loss.

(C) The amount that has been accumulated in the cash flow hedge reserve in accordance with (A) is accounted for as follows:

a. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or liability.

b. For cash flow hedges other than those covered by a. above, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

c. If that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.

(D) When the hedging instrument expires, or is sold, terminated, exercised or when the hedging relationship ceases to meet the qualifying criteria, if the forecast transaction is still expected to occur, the amount that has been accumulated in the cash flow hedge reserve shall remain in the cash flow hedge reserve until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(28) Provisions for liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the financial reporting period**,** which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized in interest expense. Future operating losses shall not be recognized as provisions for liabilities.

(29) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized in expenses in that period when the employees render service.

B. Pensions

(A) Defined contribution plans

For defined contribution plans, the contributions are recognized in pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(B) Defined benefit plans

a. The liability recognized in the balance sheets in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the financial reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash follow using interest rates of government bonds or interest rates of return of high-quality investments that have terms to maturity approximating to the terms of the related pension liability.

b. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as other equity.

c. Prior service costs are recognized immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognizes expense when it can no longer withdraw an offer of termination benefits or it recognizes related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after financial reporting date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized in expenses and as liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(30) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods of related expenses incurred if the nature of government grant is to subsidize expenses the Group accrued.

(31) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized in compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at the end of the financial reporting period. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

B. For the cash-settled share-based payment arrangements, the employee services received and the liability incurred are measured at fair value of the liability to pay for those services, and are recognized as compensation cost and liability over the vesting period. The fair value of the liability shall be remeasured at each balance sheet date until settled at the settlement date, with any changes in fair value recognized in profit or loss.

C. Restricted stocks:

(A) The issued subsidiary uses the date notifying employees the number of shares of employees' stock bonus as the grant date.

(B) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognized in compensation cost over the vesting period.

(C) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognizes the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.

(D) For restricted stocks where employees have to pay to acquire those stocks, if employees resign during the vesting period, they must return the stocks to the issued subsidiaries and the issued subsidiaries must refund their payments on the stocks, the issued subsidiary recognizes the payments from the employees who are expected to resign during the vesting period as liabilities at the grant date, and recognizes the payments from the employees who are expected to be eventually vested with the stocks in "capital surplus - others".

(32) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the financial reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.

C. Deferred income tax is recognized, using the balance sheets liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the financial reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At the end of the financial reporting period, unrecognized and recognized deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheets when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheets when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(33) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(34) Revenue recognition

Sales of goods

A. The Group is engaged in the selling of 3C products. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Revenue from the sale of 3C products is recognized based on the price specified in the contract, net of the estimated volume discounts and sales discounts. Historical experience is usually used to estimate the discounts and returns. A refund liability is recognized at expected sales discounts payable to customers in relation to sales made until the end of the reporting period. The sales are made mainly with a credit term of due after the date of delivery or month-end 30 to 180 days. As the time interval between the transfer of committed goods or services and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

C. The Group's obligation to provide a repair for faulty products under the standard warranty terms is recognized as a provision.

D. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(35) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognized and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognized directly in profit or loss on the acquisition date.

(36) Operating segments

Operating segments are reported in a manner consistent with the internal management reports provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments.

5. **CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY**

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions at the end of the financial reporting period and estimates concerning future events. The resulting accounting estimates and assumptions might be different from the actual results, and will be continually evaluated and adjusted based on historical experience and other factors; and the related information is addressed below:

Critical accounting estimates and assumptions:

A. Refund liabilities recognition

The Group estimates sales related refund liabilities for sales returns and discounts based on historical results and other known factors. Provisions for such liabilities are recorded as a deduction item to sales revenues when the sales are recognized. The Group reassesses the reasonableness of estimates of discounts and returns periodically.

As of December 31, 2025, the Group recognized $39,740,284 as refund liabilities related to sales returns and discounts.

B. Evaluation of inventories

Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value at the end of the financial reporting period, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be a difference against actual result.

As of December 31, 2025, the carrying amount of inventories was $197,642,474.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand and petty cash	$ 15,309	$ 16,062
Checking accounts and demand deposits	55,934,357	37,555,574
Time deposits	34,055,150	56,411,741
Others	73,913	54,615
	$ 90,078,729	$ 94,037,992

The Group has no cash and cash equivalents pledged to others.

(2) Financial assets and liabilities at fair value through profit or loss

	December 31, 2025	December 31, 2024
Financial assets mandatorily measured at fair value through profit or loss - current:		
Equity instruments	$ 6,494	$ 556,439
Beneficiary certificates	816,914	923,067
Derivatives	18,223	1,022,336
Hybrid instruments	-	118,000
	$ 841,631	$ 2,619,842

	December 31, 2025	December 31, 2024
Financial assets mandatorily measured at fair value through profit or loss - non-current:		
Equity instruments	$ 962,332	$ 120,334
Beneficiary certificates	313,780	244,589
Hybrid instruments	463,513	357,436
	$ 1,739,625	$ 722,359
Financial liabilities held for trading -current:		
Derivatives	$ 404,581	$ 28,576

A. The hybrid instruments held by the Group were convertible bonds and stocks with embedded options.

B. Amounts recognized in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	Years Ended	
	December 31, 2025	December 31, 2024
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	$ 297,822	$ 212,191
Beneficiary certificates	27,209	14,625
Derivatives	(2,056,911)	3,691,192
Hybrid instruments	(13,176)	(3,516)
	($ 1,745,056)	$ 3,914,492

C. The Group entered into contracts relating to derivative financial assets and liabilities which were not accounted for under hedge accounting. The information is listed below:

	December 31, 2025			December 31, 2024		
	Contract amount (in thousands)		Maturity period	Contract amount (in thousands)		Maturity period
Derivative financial assets:						
Forward exchange contracts						
-CAD/USD	CAD	40,949	2026/02	CAD	88,479	2025/06
-NTD/USD	USD	-	-	USD	370,000	2025/02
-EUR/USD	EUR	63,000	2026/03	EUR	292,000	2025/03
-GBP/USD	GBP	10,000	2026/02	GBP	50,000	2025/03
-AUD/USD	AUD	16,000	2026/03	AUD	17,500	2025/02
-USD/NTD	USD	5,000	2026/03	USD	-	-
-PLN/USD	PLN	80,000	2026/01	PLN	20,000	2025/01
-THB/USD	THB	50,000	2026/01	THB	-	-
-JPY/USD	JPY	781,740	2026/01	JPY	5,005,061	2025/02
-MXN/USD	MXN	-	-	MXN	619,740	2025/03
-IDR/USD	IDR	550,363,000	2026/01	IDR	1,724,528,000	2025/01

	December 31, 2025			December 31, 2024		
	Contract amount (in thousands)		Maturity period	Contract amount (in thousands)		Maturity period
Derivative financial assets:						
Forward exchange contracts						
-INR/USD	INR	-	-	INR	13,596,131	2025/02
-CNH/USD	CNH	-	-	CNH	710,000	2025/01
Currency option contracts						
-CNH/USD	CNH	-	-	CNH	4,166,495	2025/04
-EUR/USD	EUR	-	-	EUR	186,000	2025/03
Currency swap contracts						
-NTD/USD	USD	-	-	USD	68,800	2025/04
Derivative financial liabilities:						
Forward exchange contracts						
-EUR/USD	EUR	247,000	2026/03	EUR	10,000	2025/03
-THB/USD	THB	300,000	2026/01	THB	-	-
-NTD/USD	USD	120,000	2026/01	USD	-	-
-CNH/USD	CNH	1,328,388	2026/03	CNH	-	-
-INR/USD	INR	11,640,172	2026/01	INR	-	-
-IDR/USD	IDR	1,255,260,000	2026/01	IDR	-	-
-GBP/USD	GBP	83,000	2026/03	GBP	-	-
-CHF/USD	CHF	1,000	2026/01	CHF	-	-
-AUD/USD	AUD	55,400	2026/03	AUD	-	-
-MXN/USD	MXN	719,000	2026/03	MXN	29,000	2025/02
-VND/USD	USD	10,000	2026/01	USD	-	-
-CAD/USD	CAD	57,849	2026/06	CAD	8,344	2025/06
-NTD/USD	NTD	-	-	NTD	2,929,650	2025/01
-USD/NTD	USD	7,040	2026/02	USD	1,020	2025/01
Currency option contracts						
-CNH/USD	CNH	4,585,930	2026/05	CNH	-	-

(A) Forward exchange contracts

The Group entered into forward exchange contracts to sell various forward foreign currencies to hedge exchange rate risk of import and export proceeds. However, these forward exchange contracts are not accounted for under hedge accounting.

(B) Currency option contracts

The Group entered into currency option contracts to buy foreign currency put options and sell foreign currency call options or put options, which will be performed in the future according to the agreed price and conditions, leverage ratio and settlement date. The purpose of the Group's undertaking of the above transactions is to hedge exchange rate risk of import and export proceeds. However, these currency option contracts are not accounted for under hedge accounting. The Group has implemented risk control over currency options, and no significant operational risks have been assessed.

(C) Currency swap contracts

The Group entered into currency swap contracts to hedge cash flow risk of the floating-rate liability positions. However, these currency swap contracts are not accounted for under hedge accounting.

D. The Group has no financial assets at fair value through profit or loss pledged to others.

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

	December 31, 2025	December 31, 2024
Current:		
Debt instruments		
Government bonds	$ 1,593,887	$ -
Valuation adjustment	4,378	-
	1,598,265	-
Equity instruments		
Listed and OTC stocks	-	184,244
Valuation adjustment	-	496,775
	-	681,019
	$ 1,598,265	$ 681,019
Non-current:		
Debt instruments		
Corporate bonds	$ 3,118,615	$ 3,233,572
Government bonds	252,305	-
	3,370,920	3,233,572
Valuation adjustment	65,319	(62,611)
	3,436,239	3,170,961
Equity instruments		
Listed and OTC stocks	27,402,860	27,138,110
Unlisted and non-OTC stocks	713,161	876,308
	28,116,021	28,014,418
Valuation adjustment	39,924,708	55,926,617
	68,040,729	83,941,035
	$ 71,476,968	$ 87,111,996

A. The Group has elected to classify equity investments that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $68,040,729 and $84,622,054 on December 31, 2025 and 2024, respectively.

B. The Group sold its investments with fair value of $217,962 and $130,903 during the years ended December 31, 2025 and 2024, respectively, and the (loss) gain on disposal amounting to $70,807 and $101,114 was transferred from accumulated other comprehensive income to retained earnings, respectively. Also, the Group recognized $56,491 and $400,364 on disposals of investments in associates, which was transferred from other comprehensive income to retained earnings for the years ended December 31, 2025 and 2024, respectively.

C. Amounts recognized in profit or loss in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years Ended	
	December 31, 2025	December 31, 2024
Equity instruments at fair value through other comprehensive income		
Dividends from investments recognized in profit or loss held at end of the period	$ 3,072,588	$ 2,962,468
Debt instruments at fair value through other comprehensive income		
Reclassified from other comprehensive income to profit or loss due to impairment reversal (recognition)	$ 25	($ 912)
Interest income recognized in profit or loss	$ 157,752	$ 101,514

D. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was $5,034,504 and $3,170,961, respectively.

E. Information about credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

F. The Group has no financial assets at fair value through other comprehensive income pledged to others.

(4) Financial assets at amortized cost

Items	December 31, 2025	December 31, 2024
Current items:		
Corporate bonds	$ 4,578,411	$ 4,541,190
Less: Accumulated impairment	(3,823)	(5,905)
	4,574,588	4,535,285
Time deposits with original maturity period of more than three months	2,099,466	496,509
	$ 6,674,054	$ 5,031,794
Non-current items:		
Corporate bonds	$ -	$ 5,807,128
Less: Accumulated impairment	-	(24,573)
	-	5,782,555
Time deposits with original maturity period of more than three months	141,540	164,540
	$ 141,540	$ 5,947,095

A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	Years Ended	
	December 31, 2025	December 31, 2024
Interest income	$ 222,782	$ 290,283
Expected credit impairment reversed gains (losses)	8,253	2,316
Gains (losses) on disposal of investments	11,421	(23,782)
	$ 242,456	$ 268,817

B. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

C. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group were $6,815,594 and $10,978,889, respectively.

D. Information about credit risk of financial assets at amortized cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Hedging financial assets and liabilities

	December 31, 2025	December 31, 2024
Financial assets - current		
Cash flow hedges - Forward exchange contracts	$ 67,310	$ 853,038
Financial liabilities - current		
Cash flow hedges - Forward exchange contracts	(166,431)	(13,327)
	($ 99,121)	$ 839,711

A. Hedge accounting is applied to reduce the effect of accounting inconsistency between the hedging instrument and the hedged item. The Group entered into forward exchange and non-derivative financial instrument hedging contracts to manage its foreign currency exposure in respect of forecasted sales transactions and business combination. When forecasted sales transactions occur, the carrying amount of the non-financial hedged items is adjusted accordingly.

B. Transaction information associated with the Group adopting hedge accounting is as follows:

	December 31, 2025			December 31, 2024		
Hedging instruments	Contract amount (in thousands)		Maturity period	Contract amount (in thousands)		Maturity period
Cash flow hedges:						
Hedging financial assets						
Forward exchange contracts						
-EUR/USD	EUR	142,000	2026/06	EUR	440,000	2025/06
-PLN/USD	PLN	-	-	PLN	145,000	2025/03
-JPY/USD	JPY	12,800,000	2026/03	JPY	5,450,000	2025/06
-GBP/USD	GBP	13,000	2026/03	GBP	68,000	2025/06
-SEK/USD	SEK	-	-	SEK	50,000	2025/06
-AUD/USD	AUD	-	-	AUD	45,500	2025/03
Hedging financial liabilities						
Forward exchange contracts						
-AUD/USD	AUD	32,000	2026/03	AUD	-	-
-EUR/USD	EUR	325,000	2026/06	EUR	25,000	2025/06
-GBP/USD	GBP	78,000	2026/06	GBP	6,000	2025/06
-SEK/USD	SEK	121,000	2026/06	SEK	-	-
-PLN/USD	PLN	57,000	2026/03	PLN	14,000	2025/03
-JPY/USD	JPY	-	-	JPY	800,000	2025/03
-INR/USD	INR	1,500,000	2026/03	INR	-	-
-IDR/USD	IDR	-	-	IDR	500,000,000	2025/03

The average exchange rate of hedging instruments used by the Group is based on the consideration of future exchange rate fluctuation of the hedged items.

C. Cash flow hedges

	2025	2024
Other equity - hedge effectiveness		
January 1	$ 839,711	($ 709,249)
Gains (losses) of hedge instrument for the period	(1,740,545)	1,548,960
Reclassified to hedged item	801,713	-
December 31	($ 99,121)	$ 839,711
Other gains (losses) - hedge ineffectiveness	($ 4,177)	$ 5

D. For derivatives financial instruments, as the hedging instrument expires, the hedging relationship ceases to meet the qualifying criteria. If the forecast transaction is still expected to occur, the amount that has been accumulated in the gains (losses) on hedging instruments shall remain in other comprehensive income until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the gains (losses) on hedging instruments to other gains (losses) - hedge ineffectiveness.

For non-derivative financial instruments, foreign currency risk components of non-derivative financial assets are designated as hedging instruments with 1:1 hedge ratio. The changes in the fair value of the hedging instruments belonging to the effective portion will be recognized in other comprehensive income before the forecast transaction is expected to occur. If the forecast transaction is expected to occur, the amount shall be immediately reclassified from the gains (losses) on hedging instruments to investment accounted for using equity method.

(6) Notes and trade receivables

	December 31, 2025	December 31, 2024
Notes receivable	$ 5,672,779	$ 8,105,778
Trade receivables	115,356,927	107,749,436
Installment trade receivables	22,451,060	-
	143,480,766	115,855,214
Less: Unrealized interest income -Installment trade receivables	(326,425)	-
Less: Loss allowance	(3,827,495)	(8,777,044)
	$ 139,326,846	$ 107,078,170

A. The aging analysis of notes and trade receivables is as follows:

	December 31, 2025	December 31, 2024
Not past due	$ 118,897,629	$ 90,981,810
Less than 90 days past due	20,431,589	21,118,319
Between 91 and 180 days past due	944,155	1,430,023
More than 181 days past due	2,880,968	2,325,062
	$ 143,154,341	$ 115,855,214

B. As of December 31, 2025, December 31, 2024, and January 1, 2024, the balances of notes and trade receivables from contracts with customers amounted to $143,480,766, $115,855,214, and $90,360,648, respectively.

C. The Group does not hold financial assets as security for trade receivables.

D. As of December 31, 2025 and 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were $5,462,514 and $7,894,697, respectively. The maximum exposure to credit risk in respect of the amount that best represents the Group's trade receivables were $133,864,332 and $99,183,473, respectively.

E. Information about credit risk of notes and trade receivables is provided in Note 12(2).

(7) Transfer of financial assets

Transferred financial assets that are derecognized entirety

The Group entered into a factoring agreement with Banco Santander, S.A. Bank to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the uncollectible risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognized the transferred accounts receivable, and the related information is as follows:

	December 31, 2025				
Purchaser of accounts receivable	Amount of accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Interest rate interval of amount advanced
Banco Santander	$ 333,779	$ 333,779	$ 2,042,950	$ 333,779	9.15%~9.98%

	December 31, 2024				
Purchaser of accounts receivable	Amount of accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Interest rate interval of amount advanced
Banco Santander	$ 266,986	$ 266,986	$ 2,131,025	$ 266,986	9.15%~9.98%

(8) Offsetting financial assets and financial liabilities

A. The Group has assets (fair value of $36,231,686 and $41,315,524 as of December 31, 2025 and 2024, respectively) from and liabilities (fair value of $49,987,259 and $52,280,497 as of December 31, 2025 and 2024, respectively) to certain companies that meet the offsetting criteria in paragraph 42 of IAS 32, recognized as trade receivables and notes and trade payables at net amounts after the offsetting.

B. The recognition information of the Group due to net delivery agreement is expressed as follows:

	Trade receivables, notes and trade payables with offsetting right					
	Gross amount of financial assets (before offsetting)	Gross amount of financial liabilities (before offsetting)	Offsetting amount	Net amount of financial assets (after offsetting)	Net amount of financial liabilities (after offsetting)	Not set off in the balance sheet: collateral (received) /provided
December 31, 2025	$ 36,231,686	($ 49,987,259)	($ 35,939,658)	$ 292,028	($ 14,047,601)	$ -
December 31, 2024	41,315,524	(52,280,497)	(40,686,560)	628,964	(11,593,937)	-

(9) Inventories

	December 31, 2025	December 31, 2024
Raw materials	$ 77,494,465	$ 63,280,497
Work in process	18,333,338	3,208,931
Finished goods	10,728,705	14,582,304
Merchandise inventories	88,806,935	70,629,507
Inventories in transit	2,279,031	918,438
	$ 197,642,474	$ 152,619,677

Except for cost of goods sold, the Group recognized in expenses and losses of inventories in the amounts of $580,346 and ($6,988,772), of which $348,671 and ($7,259,564) pertain to the decline (recovery) in value of inventories for the years ended December 31, 2025 and 2024. The gain on reversal during the year mentioned above were due to inventories which were subsequently sold.

(10) Investments accounted for under equity method

	December 31, 2025	December 31, 2024
Associates		
WT	$ 17,460,136	$ 17,329,163
Others	13,431,465	12,500,560
	$ 30,891,601	$ 29,829,723

A. The Group's associates are all immaterial, and the summary on financial information of share attributable to the Group is as follows:

	Years Ended	
	December 31, 2025	December 31, 2024
(Loss) profit for the period	$ 3,858,666	$ 2,461,163
Other comprehensive (loss) income for the period (net of income tax)	(1,837,764)	1,157,804
Total comprehensive (loss) income for the period (net of income tax)	$ 2,020,902	$ 3,618,967

B. The fair value of the Group's associates which have quoted market price is as follows:

	December 31, 2025	December 31, 2024
Associates		
WT	$ 25,854,698	$ 20,759,246
Others	9,721,266	11,665,520
	$ 35,575,964	$ 32,424,766

C. The Group is the single largest shareholder of IBASE, ASUSTOR, EMC, UPI, LELTEK and WT with a 26.57%, 38.04%, 12.50%, 21.94%, 19.90% and 14.94% equity interest, respectively. Given the degree of other shareholders involvement in prior stockholders' meeting and record of voting rights for major proposals, which indicates that the Group has no substantial ability to direct the relevant activities, the Group has no control, but only has significant influence, over the companies.

(11) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Miscellaneous equipment	Construction in progress and equipment under installation	Total
January 1, 2025						
Cost	$7,761,790	$14,307,112	$ 8,355,080	$ 4,453,443	$ 307,180	$35,184,605
Accumulated depreciation and impairment	-	(4,857,784)	(6,412,260)	(3,076,522)	-	(14,346,566)
	$7,761,790	$ 9,449,328	$ 1,942,820	$ 1,376,921	$ 307,180	$20,838,039
January 1, 2025	$7,761,790	$ 9,449,328	$ 1,942,820	$ 1,376,921	$ 307,180	$20,838,039
Acquisitions	37,492	439,971	712,133	419,526	599,115	2,208,237
Disposals	-	(11)	(64,061)	(22,140)	-	(86,212)
Depreciation	-	(396,179)	(774,670)	(446,519)	-	(1,617,368)
Impairment	-	-	-	(17,554)	-	(17,554)
Reclassifications	27,603	285,988	85,780	79,593	(351,691)	127,273
Effects due to consolidated entities	-	-	-	9,319	1,951	11,270
Net exchange differences	(14,938)	(51,359)	(28,035)	(10,593)	156	(104,769)
December 31, 2025	$7,811,947	$ 9,727,738	$ 1,873,967	$ 1,388,553	$ 556,711	$21,358,916
December 31, 2025						
Cost	$7,811,947	$14,898,042	$ 8,034,885	$ 4,690,432	$ 556,711	$35,992,017
Accumulated depreciation and impairment	-	(5,170,304)	(6,160,918)	(3,301,879)	-	(14,633,101)
	$7,811,947	$ 9,727,738	$ 1,873,967	$ 1,388,553	$ 556,711	$21,358,916

	Land	Buildings	Machinery and equipment	Miscellaneous equipment	Construction in progress and equipment under installation	Total
January 1, 2024						
Cost	$7,778,804	$12,472,349	$ 6,412,432	$ 5,530,722	$ 1,402,853	$33,597,160
Accumulated depreciation and impairment	-	(4,414,793)	(4,766,202)	(4,333,774)	-	(13,514,769)
	$7,778,804	$ 8,057,556	$ 1,646,230	$ 1,196,948	$ 1,402,853	$20,082,391
January 1, 2024	$7,778,804	$ 8,057,556	$ 1,646,230	$ 1,196,948	$ 1,402,853	$20,082,391
Acquisitions	44,996	585,711	807,647	612,540	252,819	2,303,713
Disposals	-	(3)	(29,969)	(6,958)	-	(36,930)
Depreciation	-	(365,084)	(809,549)	(369,121)	-	(1,543,754)
Impairment	-	-	(822)	(3,086)	-	(3,908)
Reclassifications	(98,104)	1,078,156	317,701	(66,926)	(1,372,497)	(141,670)
Net exchange differences	36,094	92,992	11,582	13,524	24,005	178,197
December 31, 2024	$7,761,790	$ 9,449,328	$ 1,942,820	$ 1,376,921	$ 307,180	$20,838,039
December 31, 2024						
Cost	$7,761,790	$14,307,112	$ 8,355,080	$ 4,453,443	$ 307,180	$35,184,605
Accumulated depreciation and impairment	-	(4,857,784)	(6,412,260)	(3,076,522)	-	(14,346,566)
	$7,761,790	$ 9,449,328	$ 1,942,820	$ 1,376,921	$ 307,180	$20,838,039

A. After evaluating and comparing the carrying amount of property, plant and equipment and its recoverable amounts, the Group recognized impairment loss amounting to $17,554 and $3,908 for the years ended December 31, 2025 and 2024, respectively.

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(12) Leasing arrangements - lessee

A. The Group leases various assets including buildings, transportation equipment, miscellaneous equipment, land use right, and so on. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Right-of-use-assets

	Buildings	Machinery and equipment	Transportation equipment	Miscellaneous equipment	Land use right	Total
January 1, 2025	$ 1,666,206	$ 447	$ 32,810	$ 463	$ 443,547	$ 2,143,473
Acquisitions	562,072	943	10,174	1,494	80,213	654,896
Disposals	(56,698)	-	(164)	(253)	-	(57,115)
Depreciation	(517,857)	(648)	(19,780)	(319)	(14,650)	(553,254)
Reclassifications	558	-	-	-	6,459	7,017
Effects due to consolidated entities	22,816	-	-	-	-	22,816
Net exchange differences	(39,547)	-	1,322	(15)	(2,403)	(40,643)
December 31, 2025	$ 1,637,550	$ 742	$ 24,362	$ 1,370	$ 513,166	$ 2,177,190

	Buildings	Machinery and equipment	Transportation equipment	Miscellaneous equipment	Land use right	Total
January 1, 2024	$1,249,577	$ 205,152	$ 28,499	$ 1,423	$ 306,319	$1,790,970
Acquisitions	1,086,743	-	24,126	-	134,329	1,245,198
Disposals	(102,195)	-	-	(302)	-	(102,497)
Depreciation	(575,534)	(255)	(19,952)	(483)	(11,950)	(608,174)
Impairment	(19,038)	-	-	-	-	(19,038)
Reclassifications	593	(204,450)	-	(170)	-	(204,027)
Net exchange differences	26,060	-	137	(5)	14,849	41,041
December 31, 2024	$1,666,206	$ 447	$ 32,810	$ 463	$ 443,547	$2,143,473

C. The information on income and expense accounts relating to lease contracts is as follows:

	Years Ended	
	December 31, 2025	December 31, 2024
Items affecting profit or loss		
Interest expense on lease liabilities	$ 63,855	$ 64,490
Expense on short-term lease contracts	309,414	269,923
Expense on leases of low-value assets	3,209	6,485
Losses (gains) on lease modification	(10,914)	(9,047)

D. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases were $1,006,278 and $1,078,992, respectively.

(13) Intangible assets

	Trademark	Computer software	Goodwill	Customer Relationship	Others	Total
January 1, 2025						
Cost	$ 355,301	$ 2,529,422	$ 1,377,322	$ 465,859	$ 809,776	$ 5,537,680
Accumulated amortization and impairment	-	(1,859,800)	(31,598)	(110,919)	(644,355)	(2,646,672)
	$ 355,301	$ 669,622	$ 1,345,724	$ 354,940	$ 165,421	$ 2,891,008
January 1, 2025	$ 355,301	$ 669,622	$ 1,345,724	$ 354,940	$ 165,421	$ 2,891,008
Acquisitions	-	328,386	-	-	69,973	398,359
Disposals	-	(1,622)	-	-	-	(1,622)
Amortization	-	(445,370)	-	(134,113)	(66,449)	(645,932)
Reclassifications	-	134,844	-	-	(7,257)	127,587
Effects due to consolidated entities	438,886	-	7,553,308	2,075,317	451,296	10,518,807
Net exchange differences	-	2,007	(9,437)	-	2,184	(5,246)
December 31, 2025	$ 794,187	$ 687,867	$ 8,889,595	$ 2,296,144	$ 615,168	$ 13,282,961
December 31, 2025						
Cost	$ 794,187	$ 2,644,078	$ 8,921,193	$ 2,541,176	$ 1,122,113	$ 16,022,747
Accumulated amortization and impairment	-	(1,956,211)	(31,598)	(245,032)	(506,945)	(2,739,786)
	$ 794,187	$ 687,867	$ 8,889,595	$ 2,296,144	$ 615,168	$ 13,282,961

	Trademark	Computer software	Goodwill	Customer Relationship	Others	Total
January 1, 2024						
Cost	$ 355,301	$ 2,514,004	$ 1,377,322	$ 465,859	$ 732,480	$ 5,444,966
Accumulated amortization and impairment	-	(2,078,782)	(31,598)	(44,368)	(603,416)	(2,758,164)
	$ 355,301	$ 435,222	$ 1,345,724	$ 421,491	$ 129,064	$ 2,686,802
January 1, 2024	$ 355,301	$ 435,222	$ 1,345,724	$ 421,491	$ 129,064	$ 2,686,802
Acquisitions	-	625,548	-	-	67,156	692,704
Amortization	-	(365,675)	-	-	(103,956)	(469,631)
Reclassifications	-	(25,708)	-	(66,551)	70,698	(21,561)
Net exchange differences	-	235	-	-	2,459	2,694
December 31, 2024	$ 355,301	$ 669,622	$ 1,345,724	$ 354,940	$ 165,421	$ 2,891,008
December 31, 2024						
Cost	$ 355,301	$ 2,529,422	$ 1,377,322	$ 465,859	$ 809,776	$ 5,537,680
Accumulated amortization and impairment	-	(1,859,800)	(31,598)	(110,919)	(644,355)	(2,646,672)
	$ 355,301	$ 669,622	$ 1,345,724	$ 354,940	$ 165,421	$ 2,891,008

A. The assessment of goodwill for impairment involves significant management judgment, including the identification of cash-generating units and the determination of their recoverable amount (which is the higher of value in use and fair value less costs to sell). The key assumptions are determined based on historical performance and market expectations for budget gross profit margins, and by referencing historical experience and industry expectations to apply a weighted average growth rate. Additionally, a post-tax discount rate reflecting the specific risks of the operating segment is used as the basis for the assessment. The principal assumptions adopted for the assessment as of December 31, 2025 are as follows:

	Year 2025
Gross margin	52%~54%
Revenue growth rate	2%~21%
Discount rate	11.90%

B. As of December 31, 2025, the Group recorded goodwill arising from the acquisition of TECHPOINT, INC. (hereinafter referred to as TECHPOINT) of $7,553,308. Goodwill impairment testing involved allocating the goodwill to the cash-generating units related to TECHPOINT, with the recoverable amount determined based on value in use. Value in use is estimated based on the five-year budget cash flows approved by the management.

C. The Group has no intangible assets pledged to others.

(14) Short-term borrowings

Type of borrowings	December 31, 2025	Interest rate range	Collateral
Bank borrowings			
Guaranteed borrowings	$ 50,000	2.15%	Property, plant and equipment
Credit borrowings	29,478,382	1.63%~6.66%	-
Other short-term borrowings	153,328	3.56%	Machinery and Miscellaneous equipment
	$ 29,681,710		

Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Guaranteed borrowings	$ 50,000	2.05%	Property, plant and equipment
Credit borrowings	25,030,887	1.75%~6.51%	-
Other short-term borrowings	120,000	3.60%	Machinery and Miscellaneous equipment
	$ 25,200,887		

Information about the assets pledged as collateral for the Group's short-term borrowings is disclosed in Note 8.

(15) Long-term borrowings

Type of borrowing	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2025
Long-term bank borrowings				
Guaranteed borrowings	Borrowing period is from May 28, 2021 to May 28, 2036; interest is repayable monthly	1.98%	Land and buildings	$ 123,946
Credit borrowings	Borrowing period is from January 5, 2023 to January 5, 2026; interest is repayable	2.49%	-	2,084
Credit borrowings	Borrowing period is from November 28, 2024 to November 28, 2027; the principal is payable in 12 quarterly installments, with each installment amounting to $15,000 for the 1st to 11th installments and the remaining balance shall be paid in full on the 12th installment; interest is repayable monthly	2.50%	-	240,000
				$ 366,030
Less: Current portion				(72,907)
				$ 293,123

Type of borrowing	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2024
Long-term bank borrowings				
Guaranteed borrowings	Borrowing period is from May 28, 2021 to May 28, 2036; interest is repayable monthly	1.98%	Land and buildings	$ 134,559
Credit borrowings	Borrowing period is from January 5, 2023 to January 5, 2026; interest is repayable	2.37%~2.49%	-	27,083
Credit borrowings	Borrowing period is from November 28, 2024 to November 28, 2027; the principal is payable in 12 quarterly installments, with each installment amounting to $15,000 for the 1st to 11th installments and the remaining balance shall be paid in full on the 12th installment; interest is repayable monthly	2.50%	-	300,000
				$ 461,642
Less: Current portion				(95,612)
				$ 366,030

Information about the assets pledged as collateral for the Group's long-term borrowings is disclosed in Note 8.

(16) Pensions

A. Defined benefit pension plans

(A) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution for the deficit by next March.

(B) The amounts recognized in the balance sheets are as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligations	($ 451,166)	($ 384,544)
Fair value of plan assets	302,462	277,582
Net defined benefit liability	($ 148,704)	($ 106,962)

(C) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
January 1, 2025	($ 384,544)	$ 277,580	($ 106,964)
Current service cost	(18,177)	-	(18,177)
Interest (expense) income	(11,970)	4,231	(7,739)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	19,659	19,659
Change in demographic assumptions	(4,879)	-	(4,879)
Change in financial assumptions	7,062	-	7,062
Experience adjustments	(50,745)	-	(50,745)
Pension fund contribution	-	4,629	4,629
Pension payment	14,655	(3,637)	11,018
Exchange difference	(2,568)	-	(2,568)
December 31, 2025	($ 451,166)	$ 302,462	($ 148,704)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
January 1, 2024	($ 392,936)	$ 257,164	($ 135,772)
Current service cost	(16,116)	-	(16,116)
Interest (expense) income	(8,457)	3,265	(5,192)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	23,434	23,434
Change in demographic assumptions	5,126	-	5,126
Change in financial assumptions	(1,693)	-	(1,693)
Experience adjustments	11,572	-	11,572
Pension fund contribution	-	5,473	5,473
Pension payment	16,096	(11,756)	4,340
Exchange difference	1,864	-	1,864
December 31, 2024	($ 384,544)	$ 277,580	($ 106,964)

(D) The Bank of Taiwan was commissioned to manage the Fund of the Company's and its domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and its domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and its domestic subsidiaries are unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 and 2024 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(E) The principal actuarial assumptions used are as follows:

	Years Ended	
	December 31, 2025	December 31, 2024
Discount rate	1.25%~6.59%	1.50%~7.10%
Future salary increases rate	2.00%~10.00%	2.00%~10.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases rate	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
December 31, 2025				
Effect on present value of defined benefit obligation	($ 19,343)	$ 21,027	$ 17,386	($ 16,182)

	Discount rate		Future salary increases rate	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
December 31, 2024				
Effect on present value of defined benefit obligation	($ 18,536)	$ 17,255	$ 15,263	($ 14,430)

The sensitivity analysis above was determined based on the change of one assumption while the other conditions remain unchanged. In practice, the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheets are the same.

(F) Expected contribution to the defined benefit pension plans of the Group for the year ending December 31, 2026 is $5,748.

(G) As of December 31, 2025, the weighted average duration of that retirement plan is 2~29 years.

B. Defined contribution pension plans

(A) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (New Plan) under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(B) The Company's mainland subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China are based on a certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(C) The pension costs under the defined contribution pension plans of the Group were $1,579,357 and $1,506,769 for the years ended December 31, 2025 and 2024, respectively.

(17) Provisions for liabilities

	Provisions for warranty	Provisions for legal claims and royalty	Total
January 1, 2025	$ 25,730,431	$ 7,727,752	$ 33,458,183
Recognition (reversal)	9,129,950	720,931	9,850,881
Use	(7,770,553)	-	(7,770,553)
Effects due to consolidated entities	5,231	-	5,231
Net exchange differences	(683,527)	(279,796)	(963,323)
December 31, 2025	$ 26,411,532	$ 8,168,887	$ 34,580,419

	Provisions for warranty	Provisions for legal claims and royalty	Total
January 1, 2024	$ 25,604,955	$ 6,636,262	$ 32,241,217
Recognition (reversal)	6,565,286	681,557	7,246,843
Use	(7,832,279)	-	(7,832,279)
Net exchange differences	1,392,469	409,933	1,802,402
December 31, 2024	$ 25,730,431	$ 7,727,752	$ 33,458,183

Analysis of total provisions:

	December 31, 2025	December 31, 2024
Current	$ 34,580,419	$ 33,458,183

A. Provisions for warranty

The Group provides warranties on 3C products sold. Provision for warranty is estimated based on these products' historical warranty data. A provision is recognized as current when it is expected to be used in one year.

B. Provisions for legal claims and royalty

The Group recognizes provision for legal claims or royalty fees made by the patentees against the Group. After taking appropriate legal advice, the management evaluates the probable claimable fees accrued as provision for liabilities. The provision charge is recognized in profit or loss within operating costs and expenses.

(18) Refund liabilities

	2025	2024
January 1	$ 36,156,193	$ 36,066,937
(Reversal) recognition	72,250,004	64,145,841
Use	(67,775,344)	(65,833,914)
Net exchange differences	(890,569)	1,777,329
December 31	$ 39,740,284	$ 36,156,193

The Group recognizes refund liabilities on 3C products sold. Refund liabilities are estimated based on these products' historical data and other known factors. A provision is recognized as current when it is expected to be used in one year.

(19) Common shares

A. As of December 31, 2025, the Company's authorized capital was $47,500,000, consisting of 4,750,000,000 shares of common stock (including 50,000,000 shares which were reserved for employee stock options), and the paid-in capital was $7,427,603, with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

The number of the Company's ordinary shares outstanding at the beginning and ending for the years ended December 31, 2025 and 2024 are both 742,760,280 shares.

B. As of December 31, 2025, the Company issued Global Depositary Receipts (GDRs), of which 3,904 thousand units of the GDRs are now listed on the Luxembourg Stock Exchange. Per unit of GDR represents 5 shares of the Company's common stock and total GDRs represent 19,518 thousand shares of the Company's common stock. The terms of GDR are as follows:

(A) Voting rights

GDR holders may, pursuant to the Depositary Agreement and the relevant laws and regulations of the R.O.C., exercise the voting rights pertaining to the underlying common shares represented by the GDRs.

(B) Dividends, stock warrants and other rights

GDR holders and common shareholders are all entitled to receive dividends. The Depositary may issue new GDRs in proportion to GDRs holding ratios or raise the number of shares of common stock represented by each unit of GDR or sell stock dividends on behalf of GDR holders and distribute proceeds to them in proportion to their GDRs holding ratios.

(20) Capital surplus

Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	December 31, 2025	December 31, 2024
Share premium	$ 4,202,354	$ 4,202,184
Difference between consideration and carrying amount of subsidiaries acquired or disposed	892,255	891,598
Recognition of changes in ownership interest in subsidiaries	8,176,402	7,997,394
Changes in associates and joint ventures accounted for under equity method	4,105,356	3,692,308
	$ 17,376,367	$ 16,783,484

(21) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's profit after income tax, shall first be offset against prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. When such legal reserve amounts to the total authorized capital, the Company shall not be subject to this requirement. The Company may then appropriate or reverse a certain amount as special reserve according to the demand for the business or relevant regulations. After the distribution of earnings, the remaining earnings and prior years' undistributed earnings may be appropriated according to a resolution of the Board of Directors adopted in the shareholders' meeting.

B. The dividend policies of the Company are as follows: Considering the rapid changing industrial environment the Company faces, long-term financial plan and the satisfaction of the demand for cash by the shareholders, the Company should distribute cash dividends of not less than 10% of the total dividends declared each year.

C. Except for covering accumulated deficit, increasing capital or payment of cash in proportion to ownership percentage, the legal reserve shall not be used for any other purpose. The amount capitalized or the cash payment shall be limited to the portion of legal reserve which exceeds 25% of the paid-in capital.

D. (A) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the end of the financial reporting period before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(B) The amounts previously set aside by the Company as special reserve on initial application of IFRSs, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

E. As resolved by the shareholders on June 13, 2024, the Company distributed cash dividends to owners amounting to $12,626,925 ($17 (in dollars) per share) for the appropriation of 2023 earnings. On May 28, 2025, the Company distributed cash dividends to owners amounting to $25,253,849 ($34 (in dollars) per share) for the appropriation of 2024 earnings.

F. The appropriation of 2025 earnings had been proposed by the Board of Directors on March 10, 2026. Details are summarized as follows (has not yet been resolved by shareholders):

	Year Ended December 31, 2025	
	Amount	Dividends per share (in dollars)
Cash dividends	$ 31,195,932	$ 42.00

(22) Other equity

	Gains (losses) on hedging instruments	Unrealized gains (losses) on valuation of financial assets at fair value through other comprehensive income	Financial statements translation differences of foreign operations	Remeasurement of defined benefit plans	Total
January 1, 2025	$ 755,766	$ 56,823,384	$ 5,155,882	($ 35,340)	$ 62,699,692
-The Company	-	(16,970,801)	(4,295,181)	-	(21,265,982)
-Subsidiaries	(938,832)	485,877	1,399,785	(22,574)	924,256
-Associates	-	(277,128)	(590,935)	(857)	(868,920)
December 31, 2025	($ 183,066)	$ 40,061,332	$ 1,669,551	($ 58,771)	$ 41,489,046

	Gains (losses) on hedging instruments	Unrealized gains (losses) on valuation of financial assets at fair value through other comprehensive income	Financial statements translation differences of foreign operations	Remeasurement of defined benefit plans	Total
January 1, 2024	($ 709,249)	$ 57,492,527	($ 121,556)	($ 65,403)	$ 56,596,319
-The Company	-	(1,146,623)	6,503,373	-	5,356,750
-Subsidiaries	1,548,960	865,153	(1,792,347)	29,865	651,631
-Associates	(83,945)	(387,673)	566,412	198	94,992
December 31, 2024	$ 755,766	$ 56,823,384	$ 5,155,882	($ 35,340)	$ 62,699,692

(23) Operating revenue

	Years Ended	
	December 31, 2025	December 31, 2024
Revenue from contracts with customers	$ 738,904,787	$ 587,087,097

A. Disaggregation of revenue from contracts with customers

The Group's revenue is derived from the transfer of goods and services over time and at a point in time in the following major product lines:

Year Ended December 31, 2025	3C products	Others	Total
Revenue from contracts with customers	$ 724,013,358	$ 14,891,429	$ 738,904,787
Timing of revenue recognition			
Revenue recognized at a point in time	$ 721,233,619	$ 14,022,533	$ 735,256,152
Revenue recognized over time	2,779,739	868,896	3,648,635
	$ 724,013,358	$ 14,891,429	$ 738,904,787

Year Ended December 31, 2024	3C products	Others	Total
Revenue from contracts with customers	$ 576,436,846	$ 10,650,251	$ 587,087,097
Timing of revenue recognition			
Revenue recognized at a point in time	$ 575,863,571	$ 9,773,162	$ 585,636,733
Revenue recognized over time	573,275	877,089	1,450,364
	$ 576,436,846	$ 10,650,251	$ 587,087,097

B. Contract liabilities

(A) The amounts of recognized contract liabilities related to the contract revenue from sales, warranty and royalty of the Group are $7,318,521, $3,698,809, and $3,670,709 as of December 31, 2025, December 31, 2024, and January 1, 2024, respectively.

(B) The revenue recognized from the beginning balance of contract liabilities amounted to $2,489,357 and $1,847,306 for the years ended December 31, 2025 and 2024, respectively.

(24) Other income

	Years Ended	
	December 31, 2025	December 31, 2024
Rent income	$ 238,602	$ 227,167
Dividend income	3,089,895	2,976,210
	$ 3,328,497	$ 3,203,377

(25) Other (losses) gains

	Years Ended	
	December 31, 2025	December 31, 2024
Net currency exchange (losses) gains	$ 6,883,106	$ 57,573
Net (losses) gains on derivative financial instruments	(2,070,087)	3,687,676
Net (losses) gains on non-derivative financial instruments	325,031	226,816
Others	143,746	236,893
	$ 5,281,796	$ 4,208,958

(26) Costs and expenses by nature

	Years Ended					
	December 31, 2025			December 31, 2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses	$ 4,316,424	$37,031,941	$41,348,365	$ 4,125,282	$33,468,894	$37,594,176
Depreciation	593,576	1,577,046	2,170,622	550,628	1,601,300	2,151,928
Amortization	25,712	779,859	805,571	25,909	591,715	617,624

(27) Employee benefit expenses

	Years Ended	
	December 31, 2025	December 31, 2024
Wages and salaries	$ 36,196,286	$ 32,869,022
Labor and health insurance	2,327,344	2,158,047
Pension (Note)	1,605,273	1,528,077
Other personnel expenses	1,219,462	1,039,030
	$ 41,348,365	$ 37,594,176

Note: Includes the pension expense under the defined contribution plan and defined benefit plan.

A. According to the Articles of Incorporation of the Company, the current year's profit shall be used first to cover accumulated deficit, if any, and then the remaining balance shall be distributed as follows: no less than 1% as employees' compensation, and no more than 1% as directors' remuneration. At least 20% of the employees' compensation shall be reserved for rank-and-file employees.

B. For the years ended December 31, 2025 and 2024 employees' compensation were accrued at $2,883,725 and $2,201,439, respectively; directors' remuneration were accrued at $151,775 and $115,865, respectively. The aforementioned amounts were recognized in salary expense.

According to the Articles of Incorporation of the Company, the current year's profit shall be used first to cover accumulated deficit, if any, and then the remaining balance shall be distributed as follows: no less than 1% as employees' compensation, and no more than 1% as directors' remuneration.

Employees' compensation and directors' remuneration amounting to $2,201,439 and $115,865, respectively, for 2024 as resolved by the Board of Directors during its meeting were in agreement with those amounts recognized in the 2024 financial statements. The employees' compensation and directors' remuneration were distributed in cash. Related information shall be inquired at the Market Observation Post System website.

(28) Income tax

A. Income tax expenses

(A) Components of income tax expense:

	Years Ended	
	December 31, 2025	December 31, 2024
Current income tax:		
Current income tax on profits for the year	$ 14,945,592	$ 4,876,519
Additional tax on unappropriated earnings	243,468	94,804
Difference between prior year's income tax estimation and assessed results	49,725	(128,056)
Total current income tax	15,238,785	4,843,267
Deferred income tax:		
Recognition and reversal of temporary differences	(8,447,352)	3,108,207
Total deferred income tax	(8,447,352)	3,108,207
Income tax expense	$ 6,791,433	$ 7,951,474

(B) The income tax relating to components of other comprehensive income is as follows:

	Years Ended	
	December 31, 2025	December 31, 2024
Changes in fair value of financial assets at fair value through other comprehensive income	$ 23,731	$ 131,552
Currency translation differences	(745,222)	1,188,786
Remeasurements of defined benefit plans	(8,914)	8,026
	($ 730,405)	$ 1,328,364

B. Reconciliation between income tax expenses and accounting profit:

	Years Ended	
	December 31, 2025	December 31, 2024
Income tax calculated based on profit before tax and statutory tax rate	$ 14,036,617	$ 10,441,628
Tax exempt income by tax regulation	(717,184)	(590,535)
Effect of tax exemption on investment income	(1,625,835)	(908,937)
Effect of investment tax credit	(829,557)	(779,719)
Temporary differences not recognized as deferred tax assets	3,573	13,997
Difference between prior year's income tax estimation and assessed results	49,725	(128,056)
Effect of income tax changes on Pillar Two	740,984	-
Effect of tax rate changes	(2,471,789)	-
Additional income tax on unappropriated earnings	243,468	94,804
Change in assessment of realization of deferred tax assets	(1,879)	(349,074)
Effect of tax rate changes on unrealized profit from sales	(198,748)	114,969
Effect of exchange rate changes	(642,249)	629,731
Taxable loss not recognized as deferred tax assets	106,387	194,506
(Income) expenses adjusted by tax regulation	119,924	39,654
Effect of income tax on earnings repatriation overseas	(2,741,293)	(1,052,185)
Others	719,289	230,691
Income tax expense	$ 6,791,433	$ 7,951,474

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and loss carryforwards are as follows:

	2025					
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Effect due to changes in consolidated entities	Effect of exchange rate changes	December 31
Temporary differences:						
- Deferred income tax assets:						
Decline in value of inventories	$ 3,134,570	$ 165,987	$ -	$ -	($ 35,768)	$ 3,264,789
Unrealized profit from sales	1,669,808	1,314,491	-	-	(2,257)	2,982,042
Unrealized sales discounts	4,422,860	2,044,642	-	-	(28,860)	6,438,642
Unrealized provisions for warranty	3,413,593	1,699,861	-	-	(49,177)	5,064,277
Other unrealized expenses	2,262,242	1,723,037	-	-	(9,410)	3,975,869
Loss carryforwards	131,239	584,518	-	23,622	10,210	749,589
Currency translation differences of foreign operation	29,256	-	14,162	-	-	43,418
Provision for loss on bad debts	670,610	(35,842)	-	-	(36,397)	598,371
Others	587,642	(443,199)	9,795	101,364	17,511	273,113
Subtotal	16,321,820	7,053,495	23,957	124,986	(134,148)	23,390,110
- Deferred income tax liabilities:						
Investment income from foreign investees	(21,129,389)	2,065,745	-	-	-	(19,063,644)
Currency translation differences of foreign operation	(1,175,177)	-	731,060	-	-	(444,117)
Unrealized gain on valuation of equity investments	(203,548)	-	(23,731)	-	-	(227,279)
Others	(564,775)	(671,888)	(881)	(786,798)	7,371	(2,016,971)
Subtotal	(23,072,889)	1,393,857	706,448	(786,798)	7,371	(21,752,011)
Total	($ 6,751,069)	$ 8,447,352	$ 730,405	($ 661,812)	($ 126,777)	$ 1,638,099

	2024				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Effect of exchange rate changes	December 31
Temporary differences:					
- Deferred income tax assets:					
Decline in value of inventories	$ 4,281,825	($ 1,230,682)	$ -	$ 83,427	$ 3,134,570
Unrealized profit from sales	1,641,005	25,764	-	3,039	1,669,808
Unrealized sales discounts	3,891,281	412,822	-	118,757	4,422,860
Unrealized provisions for warranty	3,180,842	84,526	-	148,225	3,413,593
Other unrealized expenses	1,876,075	358,656	-	27,511	2,262,242
Loss carryforwards	711,915	(592,854)	-	12,178	131,239
Currency translation differences of foreign operation	68,852	-	(39,596)	-	29,256
Provision for loss on bad debts	469,217	177,155	-	24,238	670,610
Others	784,713	(173,235)	(7,835)	(16,001)	587,642
Subtotal	16,905,725	(937,848)	(47,431)	401,374	16,321,820
- Deferred income tax liabilities:					
Investment income from foreign investees	(19,243,827)	(1,885,562)	-	-	(21,129,389)
Currency translation differences of foreign operation	(25,987)	-	(1,149,190)	-	(1,175,177)
Unrealized gain on valuation of equity investments	(71,996)	-	(131,552)	-	(203,548)
Others	(279,033)	(284,797)	(191)	(754)	(564,775)
Subtotal	(19,620,843)	(2,170,359)	(1,280,933)	(754)	(23,072,889)
Total	($ 2,715,118)	($ 3,108,207)	($ 1,328,364)	$ 400,620	($ 6,751,069)

D. Expiration dates of unused taxable loss and amounts of unrecognized deferred income tax assets are as follows:

December 31, 2025

Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred income tax assets	Year of expiration
2016	$ 17,900	$ 17,900	$ 17,900	2026
2017	1,060,848	502,832	502,832	2027
2018	1,493,268	1,493,268	1,493,268	2028
2019	128,070	74,911	24,808	2029
2020	2,084,779	2,066,387	2,056,971	2025-2030
2021	2,181,796	2,050,726	2,047,685	2031
2022	471,928	455,765	399,046	2027-2032
2023	2,602,165	2,602,165	1,002,385	2028-2033
2024	2,022,650	2,019,610	1,592,883	2029-2034
2025	1,390,843	1,390,843	1,341,774	2030-2035

December 31, 2024

Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred income tax assets	Year of expiration
2015	$ 93,180	$ 93,180	$ 93,180	2025
2016	92,455	92,455	92,455	2026
2017	1,058,841	596,893	596,893	2027
2018	1,493,268	1,493,268	1,493,268	2028
2019	666,589	563,102	499,451	2024-2029
2020	1,242,476	1,231,013	1,213,762	2025-2030
2021	2,181,800	2,181,167	2,178,126	2031
2022	468,085	451,980	397,481	2027-2032
2023	1,317,035	1,085,298	994,869	2028-2033
2024	791,100	791,100	633,273	2029-2034

E. The amounts of deductible temporary differences that were not recognized as deferred income tax assets are as follows:

	December 31, 2025	December 31, 2024
Deductible temporary differences	$ 880,094	$ 565,194

F. As of December 31, 2025 and 2024, all taxable temporary differences associated with investments in subsidiaries that were not recognized as deferred income tax liabilities are insignificant.

G. The Tax Authority has examined the Company’s income tax returns through 2022. In addition, the Company has filed administrative remedies for the Company’s 2018 income tax assessment

H. The Group has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

I. The current tax expense related to Pillar Two income taxes that the Group recognized for the year ended December 31, 2025 was $740,984.

J. The Group's exposure to Pillar Two income tax arising from Pillar Two legislation is explained as follows:

   a. The Group falls within the scope of the Pillar Two Model Rules issued by the Organisation for Economic Co-operation and Development (OECD). Under these rules, the Group will be obligated to pay top-up tax in each jurisdiction based on the difference between the effective tax rate calculated under the Global Anti-Base Erosion (GloBE) rules and the minimum tax rate of 15%. The Pillar Two legislation has been enacted in Singapore, the jurisdiction where the Group's entities were incorporated, and became effective from January 1, 2025. While Pillar Two legislation has also been enacted in some other jurisdictions where the Group operates, an assessment indicates no material impact on the Group.

   b. The Group's primary operating jurisdiction in Singapore implemented Pillar Two legislation effective January 1, 2025. Due to the complexity of applying Pillar Two rules and calculating GloBE income, the principal operating entities in the aforementioned jurisdiction calculated an average effective tax rate of 8.68% based on accounting profit for 2025, with an accounting profit of USD 325,404 thousand. However, due to specific adjustments for income, costs, and tax incentives as stipulated under the Pillar Two rules, the effective tax rate derived under GloBE rules will differ from the average effective tax rate calculated under IAS 12. The Group has engaged tax experts to assist with the ongoing assessment of matters related to the application of Pillar Two rules.

(29) Earnings per share

	Years Ended	
	December 31, 2025	December 31, 2024
Profit:		
Profit attributable to shareholders of the parent	$ 44,557,824	$ 31,393,856
Number of shares (shares in thousands):		
Weighted average number of shares outstanding - basic	742,760	742,760
Basic earnings per share (in dollars):		
Profit attributable to shareholders of the parent	$ 59.99	$ 42.27

	Years Ended	
	December 31, 2025	December 31, 2024
Profit:		
Profit attributable to shareholders of the parent	$ 44,557,824	$ 31,393,856
Number of shares (shares in thousands):		
Weighted average number of shares outstanding - basic	742,760	742,760
The effect of dilutive potential common shares - employees' compensation	5,964	4,094
Weighted average number of shares outstanding - diluted	748,724	746,854
Diluted earnings per share (in dollars):		
Profit attributable to shareholders of the parent	$ 59.51	$ 42.03

(30) Changes in liabilities arising from financing activities

			Non-cash changes		
	January 1, 2025	Cash flow	Foreign exchange changes	Others (Note)	December 31, 2025
Short-term borrowings	$ 25,200,887	$ 4,584,269	($ 103,446)	$ -	$ 29,681,710
Long-term borrowings	461,642	(95,612)	-	-	366,030
Lease liabilities	1,774,308	(629,800)	(33,713)	610,969	1,721,764
	$ 27,436,837	$ 3,858,857	($ 137,159)	$ 610,969	$ 31,769,504

			Non-cash changes		
	January 1, 2024	Cash flow	Foreign exchange changes	Others (Note)	December 31, 2024
Short-term borrowings	$ 16,239,321	$ 8,802,223	$ 159,343	$ -	$ 25,200,887
Long-term borrowings	194,974	266,668	-	-	461,642
Lease liabilities	1,534,898	(738,094)	21,664	955,840	1,774,308
	$ 17,969,193	$ 8,330,797	$ 181,007	$ 955,840	$ 27,436,837

Note: Others pertain to lease modifications.

(31) Business combinations

A. On January 15, 2025, the Board of Directors of the Group's subsidiary, ASMEDIA, resolved to acquire 100% of the outstanding ordinary shares of TECHPOINT through a wholly-owned subsidiary, Apex Merger Sub Inc., at a price of US$20 (in dollars) per share, for a total transaction price amounting to $12,358,202 (USD384,726 thousand). On June 2, 2025, ASMEDIA had obtained control over TECHPOINT with TECHPOINT as the surviving company and Apex Merger Sub as the dissolved company. TECHPOINT is primarily engaged in the development of high-resolution image transmission technology of security cameras and in-vehicle infotainment systems. The Group expects to strengthen its position in such markets after the acquisition and also expects to reduce costs through economies of scale.

B. The consideration transferred by ASMEDIA, a subsidiary of the Group, for the acquisition of TECHPOINT, INC., and the fair value of assets acquired and liabilities assumed on the acquisition date are as follows:

	June 2, 2025	
Acquisition consideration	$	12,358,202
Less: Fair value of identifiable assets acquired and liabilities assumed		
Cash		2,190,569
Other current and non-current assets		602,202
Current and non-current liabilities		(953,376)
Subtotal		1,839,395
Acquired identifiable intangible assets - Technical know-how		890,182
Acquired identifiable intangible assets - Customer relationships		2,075,317
Goodwill	$	7,553,308

C. The operating revenue and profit before tax since June 2, 2025 contributed by TECHPOINT were $1,392,751 and $445,555. Had TECHPOINT been consolidated from January 1, 2025, the operating revenue and profit before income tax of the Group would be $739,720,172 and $55,542,897.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company's shares are widely held, so there is no ultimate parent or controlling party.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
ASUSTOR INC. (ASUSTOR)	Associate
IBASE TECHNOLOGY INC. (IBASE)	Associate
LITEMAX ELECTRONICS INC. (LITEMAX)	Associate
MAXTEK TECHNOLOGY CO., LTD. (MAXTEK)	Associate
TECHMOSA INTERNATIONAL INC. (TECHMOSA)	Associate
MORRIHAN INTERNATIONAL CORP. (MORRIHAN)	Associate
NUVISION TECHNOLOGY, INC. (NUVISION)	Associate
WT MICROELECTRONICS CO., LTD. (WT)	Associate
WINMATE INC. (WINMATE)	Associate
PORTWELL INC. (PORTWELL)	Associate
IBASE SOLUTION CO., LTD. (IBASEGI)	Associate
LELTEK INC. (LELTEK)	Associate
UPI SEMICONDUCTOR CORP. (UPI)	Associate
IBASE (SHANGHAI) TECHNOLOGY INC. (IBASESH)	Associate
PROTECTLIFE INTERNATIONAL BIOMEDICAL INC. (PROTECTLIFE)	Associate
MEDWEL INC.(MEDWEL)	Associate
IMOZEN GROUP INC. (IMOZEN)	Associate
QSAN TECHNOLOGY INC. (QSAN)	Associate
AMERICAN PORTWELL TECHNOLOGY INC. (APT)	Associate
EUROPEAN PORTWELL TECHNOLOGY B.V. (EPT)	Associate
PORTWELL JAPAN INC. (PJI)	Associate
FUTURE ELECTRONICS INC. (FUTURE)	Associate
Others	Other related party

(3) Significant transactions and balances with related parties

A. Sales of goods

	Years Ended	
	December 31, 2025	December 31, 2024
Sales of goods		
-Associates	$ 1,339,932	$ 1,000,789
-Others	10,109	54,016
	$ 1,350,041	$ 1,054,805

The collection periods of the Group to related parties are pay on delivery, open account 30 to 90 days and month-end 30 to 90 days or negotiated by both parties.

B. Purchases of goods and expenses

	Years Ended	
	December 31, 2025	December 31, 2024
Purchases of goods		
-Associates	$ 4,524,659	$ 3,326,186
-Others	128,514	133,357
Purchases of services and other expenditures		
-Associates	76,547	29,665
-Others	27,954	43,506
	$ 4,757,674	$ 3,532,714

The payment term of related parties to the Group are month-end 30 to 120 days, current month-end 90 to 120 days and open account 120 days.

C. Trade receivables and other receivables

	December 31, 2025	December 31, 2024
Trade receivables		
-Associates	$ 72,264	$ 43,646
-Others	448	268
	72,712	43,914
Other receivables		
-Associates	371	337
-Others	212	261
	583	598
	$ 73,295	$ 44,512

The trade receivables mainly arise from sales transactions, are unsecured in nature and bear no interest. The other receivables mainly pertain to settlement receivable and advance disbursement receivable.

D. Trade payables and other items of current liabilities

	December 31, 2025	December 31, 2024
Trade payables		
-Associates	$ 1,606,875	$ 1,508,464
-Others	49,271	61,590
	1,656,146	1,570,054
Other items of current liabilities		
-Associates	80,588	33,106
	$ 1,736,734	$ 1,603,160

The trade payables arise mainly from purchase transactions and bear no interest.

(4) Key management compensation

	Years Ended	
	December 31, 2025	December 31, 2024
Salaries and other short-term employee benefits	$ 1,377,363	$ 1,280,419
Post-employment benefits	7,866	7,823
	$ 1,385,229	$ 1,288,242

8. PLEDGED ASSETS

		Book Value		
Pledged assets	Items	December 31, 2025	December 31, 2024	Purpose
Other current assets and other non-current assets	Pledged restricted deposits and refundable deposits	$ 2,850,071	$ 1,587,771	Note
Property, plant and equipment	Land, buildings, machinery and miscellaneous equipment	683,570	696,266	Bank loans, financing, credit limits and other short-term borrowings
Financial assets at amortized cost-non-current	Pledged restricted time deposits	672,233	164,540	Bank loans, project and contract deposit
		$ 4,205,874	$ 2,448,577	

Note: Pledged for customs duties, lodgment for security decided by court, letter of credit, foreign exchange forward transactions, account for social security, security deposit for office and warehouse, project and contract deposit and bank loans, etc.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingencies

Lawsuits for infringement of intellectual property rights

A. The Group's various products in relation to display, projector and monitors with backlight display, cellphone supporting LTE, Flip series computer with reversible screen, products natively supporting HEVC were subject to lawsuits or investigations for patent infringement in the United States, Japan and Germany. The Group cannot presently determine the ultimate outcome of these lawsuits, but has already recognized the possible loss in the financial statements.

B. Several patentees filed lawsuits or investigations for patent infringement including LED for cellphone products, wireless network communication products that support IEEE 802.11ac communication standard, various products using LVDS technology processors, notebooks using Panjit MOSFET, Flip series computer with reversible screen, product portfolio of routers and notebooks, notebooks equipped with Western Digital hard drives, 802.11ax (Wi-Fi 6/6E), Wake on Wireless Lan (WoWLAN) technology, Touchpad diagonal scrolling, or a hinge structure that allows the laptop screen to rotate 360 degrees, products using Windows 10/11 and supporting Windows Search Bar/Windows Search function, products supporting Qi wireless charging standard, 802.11ac-compatible products, products supporting H.265, various products supporting

5G mobile communications, various products with USB-C extension dock, backlight module displays, products equipped with Intel AX201 or AX211 Wi-Fi modules, products natively supporting AVC, HEVC, and AV1, mobile phone products, personal computers and mobile phone products natively supporting AVC, Type-C expansion modules and DRAM system operation frequency computer products, MB, routers, network switches, and Wi-Fi adaptors related products, Asus notebook products supporting TPM functionality, notebook products, power adapters of notebook products, power adapters of mobile products, mobile and notebook products, mobile and router products, Wi-Fi 6 products, Wi-Fi 7 products, Wi-Fi 8 products, Wi-Fi networking products, products supporting Wi-Fi 6, products supporting 802.11ax multicast functionality, adol wireless bluetooth earphones, ROG Ally X, router products, mobile phone and tablet products pre-installed with Google Maps, notebook products, mobile phone products, OLED panels of display products. These lawsuits or litigations are currently under investigation in the courts in the Republic of China, the United States, Japan, Brazil, Italy, Germany, Portuguese Republic, People's Republic of China, India and the United Kingdom. The Group cannot presently determine the ultimate outcome and effect of these lawsuits.

(2) Commitments

A. On January 15, 2025, the Board of Directors of the subsidiary, ASMEDIA, resolved to acquire the property in Baoyuan section of Xindian District for a total consideration of $1,875,940. The agreement was officially signed on February 6, 2025. As of December 31, 2025, the consideration paid under the contract amounted to $273,731.

B. On January 15, 2025, the subsidiary, ASMEDIA, entered into a share swap agreement with TECHPOINT. According to the agreement, TECHPOINT’s original restricted stocks to employees-equity-settled issued but not yet vested on the effective date of the merger, June 2, 2025, are settled by cash at a price of US$20 (in dollars) per unit when reaching the vesting conditions specified in the original plan after the effective date of the merger. This adjustment resulted in incremental fair value of US$6,241 thousand (approximately NT$180 million). The incremental fair value granted will be recognized by the Group during the date of modification to the vesting date.

C. On October 15, 2025, AAEON signed a contract with V-net AAEON Corporation Ltd. to acquire 85.5% equity interest in cash. The total transaction price is 1.37 billion yen (approximately 280 million New Taiwan Dollars). Under the contract, the transaction can only be carried out upon the fulfillment of all conditions precedent.

D. On November 11, 2025, the Company’s board of directors approved the Innovation-Industry Base self-construction project of the subsidiary, ACSH, a subsidiary. The estimated total budget for this project is 320 million Chinese Yuan (approximately 1.37 billion New Taiwan Dollars). As of December 31, 2025, the contract payments totaled $17,035 and are recorded under construction in progress.

10. **SIGNIFICANT DISASTER LOSS**

None.

11. **SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL REPORTING PERIOD**

None.

12. **OTHERS**

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the liability ratio. This ratio is calculated as total liabilities by total assets. Total liabilities calculated as "current liabilities plus non-current liabilities" are shown in the consolidated balance sheets.

During 2025, the Group's strategy was to maintain the liability ratio within reasonable security range, which was unchanged from 2024. The liability ratios are as follows:

	December 31, 2025	December 31, 2024
Total liabilities	$ 334,093,522	$ 259,326,117
Total assets	$ 631,656,719	$ 556,523,635
Liability ratio	52.89%	46.60%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2025	December 31, 2024
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 2,581,256	$ 3,342,201
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	68,040,729	84,622,054
Qualified debt instruments	5,034,504	3,170,961
Financial assets at amortized cost		
Cash and cash equivalents	90,078,729	94,037,992
Financial assets at amortized cost	6,815,594	10,978,889
Notes receivable	5,462,514	7,894,697
Trade receivables	133,864,332	99,183,473
Other receivables	1,130,391	1,200,982
Refundable deposits	3,192,343	1,957,868
Derivative financial assets for hedging	67,310	853,038
	$ 316,267,702	$ 307,242,155

	December 31, 2025	December 31, 2024
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	$ 404,581	$ 28,576
Financial liabilities at amortized cost		
Short-term borrowings	29,681,710	25,200,887
Notes and trade payables	119,583,720	73,996,978
Other payables - accrued expenses	51,792,676	44,051,626
Long-term borrowings (including current portion)	366,030	461,642
Deposits received	1,326,233	1,086,899
Lease liabilities	1,721,764	1,774,308
Derivative financial liabilities for hedging	166,431	13,327
	$ 205,043,145	$ 146,614,243

B. Financial risk management policies

(A) The Group's operating activities expose the Group to a variety of financial risks, including market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts, currency option contracts and currency swap contracts are used to hedge certain exchange rate risk, and derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

(B) The Group's key financial plans are all reviewed by the Board of Directors under the related principles and internal control system. When executing the financial plans, the Group's treasury departments will follow the financial operating procedures in accordance with the overall financial risk management and proper segregation of duties.

(C) Information about derivative financial instruments that are used to hedge financial risk are provided in Notes 6(2) and (5).

C. Nature and degree of significant financial risks

(A) Market risk

Foreign exchange risk

a. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, EUR and CNY. Foreign exchange risk arises from future commercial transactions, recognized as assets and liabilities.

b. The management has set up the policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group's treasury. Exchange rate risk is measured through a forecast of highly probable USD, EUR and CNY expenditures. Forward foreign exchange contracts are adopted to minimize the volatility of the exchange rate affecting recognition of revenue of forecast sale.

c. The Group hedges foreign exchange rate by using forward exchange contracts, currency option contracts and currency swap contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).

d. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

e. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency is NTD; other certain subsidiaries' functional currency is USD, EUR, CNY, etc.). Non-monetary items are assessed to have no significant impact on the Group. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2025					
				Sensitivity Analysis		
	Foreign currency amount (in dollars)	Exchange rate	Book value (NTD)	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 4,679,677,356	31.430	$147,082,259	1%	$1,470,823	$ -
EUR:USD	416,864,807	36.899	15,381,819	1%	153,818	-
CNH:USD	2,280,792,255	4.494	10,250,998	1%	102,510	-
Financial liabilities						
Monetary items						
USD:NTD	6,307,242,592	31.430	198,236,635	1%	1,982,366	-
EUR:USD	121,237,018	36.899	4,473,503	1%	44,735	-
CNH:USD	4,104,697,044	4.494	18,448,520	1%	184,485	-

	December 31, 2024					
				Sensitivity Analysis		
	Foreign currency amount (in dollars)	Exchange rate	Book value (NTD)	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 3,930,700,048	32.785	$128,868,001	1%	$1,288,680	$ -
EUR:USD	422,818,419	34.139	14,434,607	1%	144,346	-
CNH:USD	2,668,270,087	4.478	11,949,663	1%	119,497	-
Financial liabilities						
Monetary items						
USD:NTD	4,647,107,564	32.785	152,355,421	1%	1,523,554	-
EUR:USD	57,121,951	34.139	1,950,087	1%	19,501	-
CNH:USD	3,739,396,618	4.478	16,746,630	1%	167,466	-

f. Net currency exchange gains (losses) arising from foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2025 and 2024 amounted to $6,883,106 and $57,573, respectively.

Price risk

a. The Group's equity instruments, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity instruments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
b. The Group mainly invests in equity instruments comprised of shares and open-end funds issued by the domestic companies. The value of equity instruments are susceptible to market price risk arising from uncertainties about future performance of equity markets. Assuming a hypothetical increase of 1% in the price of the aforementioned financial assets at fair value through profit or loss while the other conditions remain unchanged could increase the Group's non-operating revenue for the years ended December 31, 2025 and 2024 by $9,688 and $6,768, respectively. A change of 1% in the price of the aforementioned financial assets at fair value through other comprehensive income could increase the Group's other comprehensive income for the years ended December 31, 2025 and 2024 by $680,407 and $846,221, respectively.

Cash flow and fair value interest rate risk

a. The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates which expose the Group to cash flow interest rate risk but is partially offset by cash and cash equivalents held at variable rates. During the years ended December 31, 2025 and 2024, the Group's borrowings at variable rates were denominated in USD, RMB and NTD.
b. If interest rates on borrowings had been 1% higher with all other variables held constant, non-operating expenses for the years ended December 31, 2025 and 2024 would have been $299,748 and $255,669 higher, respectively, mainly as a result of higher interest expense on floating rate borrowings.

(B) Credit risk

a. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is contract cash flows of counterparties could not repay in full the accounts receivable based on the agreed terms, financial assets at amortized cost and financial assets at fair value through other comprehensive income.

b. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of "A" class above as evaluated by an independent party are accepted as counterparties. According to the Group's credit policy, each operating entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors, and the utilization of credit limits is regularly monitored.

c. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

d. The Group adopts the assumption under IFRS 9, that is, for most operating entities, the default occurs when the contract payments are past due over 90 days. For some subsidiaries, based on the local trading conditions and historical experience, the default occurs when the contract payments are past due over 180 days.

e. The Group classifies customer's accounts receivable in accordance with customer types. The Group applies the simplified approach using the provision matrix and loss rate method to estimate expected credit loss.

f. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
   (a) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
   (b) The disappearance of an active market for that financial asset because of financial difficulties;
   (c) Default or delinquency in interest or principal repayments;
   (d) Adverse changes in national or regional economic conditions that are expected to cause a default.
   (e) The internal or external credit rating of the instrument is "in default".
   (f) The condition which met the breach of contract by the debtor or others was assessed case-by-case.

g. The Group writes off the financial assets, which cannot reasonably be expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2025 and 2024, the Group has no written-off financial assets that are still under recourse procedures.

h. The Group conducts an assessment of expected credit risk for all recorded accounts receivable based on the following situations:

(a) Excellent credit quality group: The expected loss rate for the excellent credit quality clients is 0.00% ~ 0.2%, and the total carrying amount of notes and trade receivables amounted to $2,172,255 and $1,690,076 and loss allowance amounted to $260 and $743 as of December 31, 2025 and 2024, respectively.

(b) General group: The Group refers to the forecast ability of global economic indicators to adjust the loss rate which is based on historical and current information when assessing the future default possibility of notes receivable and trade receivables. The provision matrix as of December 31, 2025 and 2024 is as follows:

December 31, 2025	Not past due	Less than 30 days past due	Between 31 and 60 days past due	Between 61 and 90 days past due	Between 91 and 180 days past due	More than 181 days past due	Total
Total book value	$ 116,752,070	$ 15,589,870	$ 3,460,160	$ 1,354,863	$ 944,155	$ 2,560,244	$ 140,661,362
Loss allowance	$ 21,789	$ 12,051	$ 286,252	$ 158,775	$ 557,564	$ 2,470,080	$ 3,506,511
Expected loss rate	0.00%~8.62%	0.00%~16.88%	0.00%~30.13%	0.00%~91.72%	10%~100%	10%~100%	

December 31, 2024	Not past due	Less than 30 days past due	Between 31 and 60 days past due	Between 61 and 90 days past due	Between 91 and 180 days past due	More than 181 days past due	Total
Total book value	$ 89,056,094	$ 12,731,519	$ 3,297,845	$ 655,679	$ 407,715	$ 2,316,631	$ 108,465,483
Loss allowance	$ 57,327	$ 47,676	$ 387,785	$ 122,703	$ 204,951	$ 2,256,204	$ 3,076,646
Expected loss rate	0.00%~4.16%	0.00%~19.43%	0.00%~40.90%	0.00%~54.97%	10%~100%	10%~100%	

(c) Higher risk group: Based on historical experience, the Group uses individual assessments to calculate expected credit losses for customers with higher credit risk. As of December 31, 2025 and 2024, the total value of accounts receivable amounted to $320,724 and $5,699,655, respectively, with allowance for losses of $320,724 and $5,699,655, respectively.

i. Movements in relation to the Group's loss allowance for notes and trade receivables are as follows:

	2025	2024
January 1	$ 8,777,044	$ 3,543,339
(Reversal) recognition	(4,564,676)	5,051,401
Write-offs	(13,767)	(39,283)
Reclassifications	-	(29,880)
Net exchange differences	(371,106)	251,467
December 31	$ 3,827,495	$ 8,777,044

For provisioned loss for the years ended December 31, 2025 and 2024, the net impairment loss and gain arising from customer's contract were ($4,564,676) and $5,051,401, respectively.

j. The Group's analysis on credit quality and expected credit loss of debt instruments investment.

The objective of the Group's investment policy is to achieve a return under the requirements of principal preservation and liquidity supports. The policy requires to set upper limits of exposure to credit risk of each debt instruments' issuer. The Group assesses whether there has been a significant increase in credit risk in the debt instrument investment since initial recognition according to financial market conditions, the changes in external credit ratings and material information of the debt instruments' issuers.

The Group regularly monitors, reviews and adjusts the limits according to market conditions and the credit standing of the counterparties.

The Group assesses the 12 months expected credit loss and lifetime expected credit loss based on the probability of default and default loss provided by external credit rating agencies. The current credit risk assessment mechanism of the Group is as follows:

Credit rating	Definition	Basis for recognizing expected credit loss
Stage 1	Financial assets with no significant increase in credit risk since initial recognition or low credit risk at the balance sheet date	12 months expected credit loss
Stage 2	Financial assets with significant increase in credit risk since initial recognition	Lifetime expected credit loss

k. Movements in loss allowance for investments in debt instruments at fair value through other comprehensive income of the Group are as follows:

	2025		2024	
	12 months expected credit loss	Lifetime expected credit loss	12 months expected credit loss	Lifetime expected credit loss
January 1	$ 1,108	$ -	$ 166	$ -
Recognition (reversal)	(25)	-	912	-
Net exchange differences	(46)	-	30	-
December 31	$ 1,037	$ -	$ 1,108	$ -

l. Movements in loss allowance for investments in debt instruments carried at amortized cost of the Group are as follows:

	2025		2024	
	12 months expected credit loss	Lifetime expected credit loss	12 months expected credit loss	Lifetime expected credit loss
January 1	$ 30,478	$ -	$ 36,651	$ -
Recognition (reversal)	(8,253)	-	(2,316)	-
Disposal	(16,941)	-	(6,161)	-
Net exchange differences	(1,461)	-	2,304	-
December 31	$ 3,823	$ -	$ 30,478	$ -

m. For investments in financial assets at amortized cost and financial assets at fair value through other comprehensive income of the Group, the credit rating levels are as follows:

	December 31, 2025		
	12 months expected credit loss	Lifetime expected credit loss	Total
Financial assets at amortized cost			
Time deposits	$ 2,241,006	$ -	$ 2,241,006
Corporate bonds			
Internal rating - Stage 1	4,578,411	-	4,578,411
Total book value	6,819,417	-	6,819,417
Loss allowance	(3,823)	-	(3,823)
	$ 6,815,594	$ -	$ 6,815,594
Financial assets at fair value through other comprehensive income			
Corporate bonds and government bonds			
Internal rating - Stage 1	$ 5,035,541	$ -	$ 5,035,541
Loss allowance	(1,037)	-	(1,037)
	$ 5,034,504	$ -	$ 5,034,504

	December 31, 2024		
	12 months expected credit loss	Lifetime expected credit loss	Total
Financial assets at amortized cost			
Time deposits	$ 661,049	$ -	$ 661,049
Corporate bonds			
Internal rating - Stage 1	10,348,318	-	10,348,318
Total book value	11,009,367	-	11,009,367
Loss allowance	(30,478)	-	(30,478)
	$ 10,978,889	$ -	$ 10,978,889
Financial assets at fair value through other comprehensive income			
Corporate bonds			
Internal rating - Stage 1	$ 3,172,069	$ -	$ 3,172,069
Loss allowance	(1,108)	-	(1,108)
	$ 3,170,961	$ -	$ 3,170,961

The Group's financial assets at amortized cost are time deposits with an original due date of more than three months and various corporate bonds, financial assets at fair value through other comprehensive income are corporate bonds and government bonds, and there is no significant abnormality in credit risk assessment.

(C) Liquidity risk

a. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group treasury. The Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's cash flow plans and compliance with internal balance sheet ratio targets.

b. The Group treasury invests surplus cash in demand deposits, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As of December 31, 2025 and 2024, the Group held financial assets at fair value through profit or loss of $823,408 and $1,597,506, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

c. The table below analyses the Group's non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the financial reporting period to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	December 31, 2025				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
Non-derivative financial liabilities:					
Short-term borrowings	$ 29,681,710	$ -	$ -	$ -	$ 29,681,710
Notes and trade payables	119,583,720	-	-	-	119,583,720
Other payables - accrued expenses	51,792,676	-	-	-	51,792,676
Lease liabilities	561,103	424,841	304,344	623,243	1,913,531
Long-term borrowings (including current portion)	72,907	191,039	11,253	90,831	366,030
Other financial liabilities	2,224,540	-	-	-	2,224,540
Derivative financial liabilities:					
Forward exchange contracts	440,926	-	-	-	440,926
Currency option contracts	130,086	-	-	-	130,086

	December 31, 2024				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
Non-derivative financial liabilities:					
Short-term borrowings	$ 25,200,887	$ -	$ -	$ -	$ 25,200,887
Notes and trade payables	73,996,978	-	-	-	73,996,978
Other payables - accrued expenses	44,051,626	-	-	-	44,051,626
Lease liabilities	540,244	434,305	278,316	737,993	1,990,858
Long-term borrowings (including current portion)	95,612	72,907	191,039	102,084	461,642
Other financial liabilities	2,571,749	7,063	-	-	2,578,812
Derivative financial liabilities:					
Forward exchange contracts	41,903	-	-	-	41,903

d. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis to be significantly earlier, nor expect the actual cash flow amount to be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

(A) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, financial assets at amortized cost – current and non- current (time deposits with an original due date of more than three months), notes and trade receivables, other receivables, refundable deposits, short-term borrowings, notes and trade payables, other payables - accrued expenses, other current liabilities, current portion of long-term borrowings, long-term borrowings, guarantee deposits received, lease liabilities, are reasonably approximate to the fair values.

	December 31, 2025			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets:				
Financial assets at amortized cost - current				
Corporate bonds	$ 4,574,588	$ -	$ 4,535,674	$ -

	December 31, 2024			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets:				
Financial assets at amortized cost - current				
Corporate bonds	$ 4,535,285	$ -	$ 4,494,367	$ -
Financial assets at amortized cost - non-current				
Corporate bonds	$ 5,782,555	$ -	$ 5,581,025	$ -

(B) The fair values of corporate bonds are determined by quoted market prices provided by third party pricing services.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(A) The related information about the nature of the assets and liabilities is as follows:

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity instruments	$ 761,082	$ 6,900	$ 200,844	$ 968,826
Beneficiary certificates	973,547	14,789	142,358	1,130,694
Derivative	-	18,223	-	18,223
Hybrid instruments	105,000	-	358,513	463,513
Derivative financial assets for hedging	-	67,310	-	67,310
Financial assets at fair value through other comprehensive income				
Equity instruments	67,382,823	385,287	272,619	68,040,729
Debt instruments	1,851,285	3,183,219	-	5,034,504
	$71,073,737	$ 3,675,728	$ 974,334	$75,723,799
Liabilities:				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative	$ -	$ 404,581	$ -	$ 404,581
Derivative financial liabilities for hedging	-	166,431	-	166,431
	$ -	$ 571,012	$ -	$ 571,012

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity instruments	$ 558,225	$ 5,055	$ 113,493	$ 676,773
Beneficiary certificates	1,083,745	13,911	70,000	1,167,656
Derivative	-	1,022,336	-	1,022,336
Hybrid instruments	118,000	-	357,436	475,436
Derivative financial assets for hedging	-	853,038	-	853,038
Financial assets at fair value through other comprehensive income				
Equity instruments	84,179,417	199,081	243,556	84,622,054
Debt instruments	-	3,170,961	-	3,170,961
	$85,939,387	$ 5,264,382	$ 784,485	$91,988,254
Liabilities:				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative	$ -	$ 28,576	$ -	$ 28,576
Derivative financial liabilities for hedging	-	13,327	-	13,327
	$ -	$ 41,903	$ -	$ 41,903

(B) The methods and assumptions the Group used to measure fair value are as follows:

a. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed and OTC stocks	Open-end fund	Convertible bonds	Government bonds
Market quoted price	Closing price	Net asset value	Closing price	Transaction price

b. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the financial reporting date.

c. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitized instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions.

d. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts, currency option contracts and currency swap contracts are usually valued based on the current forward exchange rate.

e. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheets. The pricing and inputs information used during valuation are carefully assessed and adjusted based on current market conditions.

D. For the years ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.

E. The movement of financial and non-financial instruments measured at fair value by Level 3 is as follows:

	Beneficiary certificates, Equity instruments and Hybrid instruments	
	2025	2024
January 1	$ 784,485	$ 168,140
Acquisitions	169,959	608,564
Disposal	(15,411)	(1,877)
Recognition in profit (loss) (Note 1)	89,533	9,768
Recognition in other comprehensive income (loss) (Note 2)	18,619	(2,191)
Reclassifications	(75,696)	-
Foreign exchange changes	2,845	2,081
December 31	$ 974,334	$ 784,485

Note 1: Recorded as other gains (losses).

Note 2: Recorded as unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income.

F. The investment segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the source of information is independent, reliable and in line with other resources and any other necessary adjustments to the fair value.

The investment segment cooperatively set up valuation policies, valuation processes and rules for measuring fair value of financial instruments that ensure compliance with the related requirements in IFRS.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments:					
Unlisted and non-OTC stocks	$ 118,063	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value.
Unlisted and non-OTC stocks	330,400	Discounted cash flow method	Note 1	Not applicable	Note 2
Unlisted and non-OTC stocks	25,000	At the most recent transaction price in an inactive market	Not applicable	Not applicable	Not applicable
Beneficiary certificates:					
Private fund	142,358	Net asset value	Not applicable	Not applicable	Not applicable
Hybrid instruments:					
Unlisted and non-OTC stocks	240,402	Discounted cash flow method	Note 1	Not applicable	Note 2
Embedded option	118,111	Option pricing model	Stock price volatility	Not applicable	The higher the stock price volatility, the higher the fair value.

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments:					
Unlisted and non-OTC stocks	$ 94,133	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value.
Unlisted and non-OTC stocks	29,908	Comparable Listed and OTC companies analysis	Price to book ratio multiple, discount for lack of marketability	Not applicable	The higher the multiple, the higher the fair value; The higher the discount for lack of marketability, the lower the fair value.
Unlisted and non-OTC stocks	208,008	Discounted cash flow method	Note 1	Not applicable	Note 2
Unlisted and non-OTC stocks	25,000	At the most recent transaction price in an inactive market	Not applicable	Not applicable	Not applicable
Beneficiary certificates:					
Private fund	70,000	Net asset value	Not applicable	Not applicable	Not applicable
Hybrid instruments:					
Unlisted and non-OTC stocks	223,894	Discounted cash flow method	Note 1	Not applicable	Note 2
Embedded option	133,542	Option pricing model	Stock price volatility	Not applicable	The higher the stock price volatility, the higher the fair value.

Note 1: Long-term revenue growth rate, weighted average cost of capital, long-term operating profit before income tax, discount for lack of marketability and discounts for minority interest.

Note 2: The higher the discount for lack of marketability, the lower the fair value; the higher the weighted average cost of capital and discount for minority interest, the lower the fair value; the higher the long-term revenue growth rate and long-term operating profit before income tax, the higher the fair value.

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in a different outcome.

13. **SUPPLEMENTARY DISCLOSURES**

(1) Significant transactions information

A. Financing provided: Please refer to table 1.

B. Endorsements and guarantees provided: Please refer to table 2.

C. Significant marketable securities held at the end of period (excluding investments in subsidiaries, associates and joint ventures): Please refer to table 3.

D. Total purchases from or sales to related parties of at least $100 million or 20% of the paid-in capital: Please refer to table 4.

E. Receivables from related parties amounting to at least $100 million or 20% of the paid-in capital: Please refer to table 5.

F. Intercompany relationships and significant intercompany transactions: Please refer to table 6.

(2) Information on investees

Names, locations and related information of investees over which the Company exercises significant influence (excluding information on investments in mainland China): Please refer to table 7.

(3) Information on investments in China

A. Information on investments in mainland China: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in China: Please refer to table 6.

14. **OPERATING SEGMENT INFORMATION**

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information in this period.

(2) Measurement basis

The Group uses the revenue and operating profit as the measurement for operating segment profit and the basis of performance assessment. The accounting policies of the operating segments and the accounting policies described in Note 4 of the consolidated financial statements are the same.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Year ended December 31, 2025		
	3C Brand	Others	Total
Revenues from external customers	$ 681,608,337	$ 57,296,450	$ 738,904,787
Revenues from other segments	$ 7,327,512	$ 8,959,569	- (Note 1)
Segment income	$ 33,907,498	$ 5,690,882	$ 39,598,380
Total assets (Note 2)	$ -	$ -	$ -

	Year ended December 31, 2024		
	3C Brand	Others	Total
Revenues from external customers	$ 546,327,462	$ 40,759,635	$ 587,087,097
Revenues from other segments	$ 2,206,911	$ 8,032,405	- (Note 1)
Segment income	$ 27,450,073	$ 2,164,040	$ 29,614,113
Total assets (Note 2)	$ -	$ -	$ -

Note 1: The intra-segment revenues have been eliminated to $0.

Note 2: Because the Group's segment assets are not provided to the chief operating decision-marker, such items are not required to be disclosed.

(4) Reconciliation for segment income

A. The intra-segment transactions are based on fair value. The revenues from external customers reported to the chief operating decision-maker are measured in a manner consistent with the consolidated statements of comprehensive income.

B. The reconciliation of the reportable operating segments' profit (others are the same as consolidated statements of comprehensive income) is as follows:

	Years Ended	
	December 31, 2025	December 31, 2024
Reportable operating segments' (loss) profit before adjustment	$ 39,598,380	$ 29,614,113
Unallocated profit (loss)	57,691	(18,741)
Reportable operating segments' (loss) profit	$ 39,656,071	$ 29,595,372

(5) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	Years Ended			
	December 31, 2025		December 31, 2024	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$100,333,531	$ 33,243,117	$ 56,973,357	$ 22,799,085
China	138,341,059	7,803,193	124,642,638	7,602,603
Singapore	263,260,426	154,427	220,453,521	212,259
USA	134,164,608	1,905,831	116,004,701	1,633,362
Europe	42,537,431	1,758,120	25,060,264	929,589
Others	60,267,732	2,090,843	43,952,616	2,206,947
	$738,904,787	$ 46,955,531	$587,087,097	$ 35,383,845

The above non-current assets exclude financing instruments, deferred income tax assets and certain other non-current assets.

(6) Major customer information

No single customer accounts for more than 10% of the consolidated operating revenue for the years ended December 31, 2025 and 2024.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

FINANCING PROVIDED

YEAR ENDED DECEMBER 31, 2025

Table 1 (Amounts in thousands of New Taiwan dollars and foreign currencies)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate (%)	Nature for Financing (Note 1)	Transaction Amounts	Reason for Financing	Loss allowance	Collateral		Financing Limits for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)	Note
													Item	Value			
1	ASUS	ASKEY	Other receivables	Yes	1,000,000	1,000,000	-	2.23	b	-	Need for operations	-	-	-	40,244,538	53,659,384	
2	ASUS	ASUSCLOUD	Other receivables	Yes	500,000	180,000	180,000	2.06~16.00	b	-	Need for operations	-	-	-	40,244,538	53,659,384	
3	ASUS	ATL	Other receivables	Yes	200,000	200,000	-	2.06	b	-	Need for operations	-	-	-	40,244,538	53,659,384	
4	ASTP	ASGL	Other receivables	Yes	31,430,000 (USD 1,000,000)	31,430,000 (USD 1,000,000)	30,487,100 (USD 970,000)	5.00~6.03	b	-	Need for operations	-	-	-	46,018,466 (USD 1,464,157)	46,018,466 (USD 1,464,157)	
5	ASGL	ACJK	Other receivables	Yes	1,515,327 (IDR 829,407,299)	-	-	-	a	11,507,965	-	-	-	-	47,648,981 (USD 1,516,035)	47,648,981 (USD 1,516,035)	
6	ASKEYJS	ASKEY	Other receivables	Yes	2,327,067 (USD 74,040)	-	-	-	a	7,368,949	-	-	-	-	1,427,301	1,427,301	
7	ASKEY	ASKEYVNBN	Other receivables	Yes	3,677,726 (USD 117,013)	-	-	-	a	10,666,105	-	-	-	-	100,351	100,351	

Note 1：Nature for Financing：a. Business transaction calls for a loan arrangement.

b. The need for short-term financing.

Note 2：Limit of total financing amount：a. According to Procedures for Lending of ASUS, limit of total financing amount shall not exceed 20% of the net worth of ASUS as of the period.

b. According to Procedures for Lending of ASTP, limit of total financing amount to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by publicly traded parent company - ASUS, which are not located in Taiwan, shall not exceed 100% of the net worth of ASTP as of the period.

c. According to Procedures for Lending of ASGL, limit of total financing amount to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by publicly traded parent company - ASUS, which are not located in Taiwan, shall not exceed 100% of the net worth of ASGL as of the period.

d. According to Procedures for Lending of ASKEYJS, limit of total financing amount shall not exceed 40% of the net worth of ASKEYJS as of the period.

e. According to Procedures for Lending of ASKEY, limit of total financing amount shall not exceed 40% of the net worth of ASKEY as of the period.

Limit financing amount for individual counterparty：a. According to Procedures for Lending of ASUS, limit of financing amount for individual counterparty shall not exceed 15% of the net worth of ASUS as of the period.

b. According to Procedures for Lending of ASTP, limit of financing amount to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by publicly traded parent company - ASUS, which are not located in Taiwan, for individual counterparty shall not exceed 100% of the net worth of ASTP as of the period.

c. According to Procedures for Lending of ASGL, limit of financing amount to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by publicly traded parent company - ASUS, which are not located in Taiwan, for individual counterparty shall not exceed 100% of the net worth of ASGL as of the period.

d. According to Procedures for Lending of ASKEYJS, for the companies having business relationship with the ASKEYJS, limit on loans granted to a single party shall not exceed the amount of business transactions occurred between the creditor and borrower and shall not exceed 40% of the net worth of ASKEYJS as of the period.

e. According to Procedures for Lending of ASKEY, for the companies having business relationship with the ASKEY, limit on loans granted to a single party shall not exceed the amount of business transactions occurred between the creditor and borrower and shall not exceed 40% of the net worth of ASKEY as of the period.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

ENDORSEMENTS AND GUARANTEES PROVIDED

YEAR ENDED DECEMBER 31, 2025

Table 2 (Amounts in thousands of New Taiwan dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements (%)	Maximum Endorsement / Guarantee Amount Allowable (Note)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship											
1	ASMEDIA	TECHPOINT	Subsidiary	5,421,400	314,300	314,300	110,922	-	0.87	7,228,534	N	N	N	

Note：Limit of total endorsement/guarantee amount：According to Procedures for Endorsements and Guarantees of ASMEDIA, the total amount of endorsement/guarantee shall not exceed 20% of the net worth of ASMEDIA as of the period.
Limit endorsement/guarantee amount for individual counterparty：According to Procedures for Endorsements and Guarantees of ASMEDIA, limit of endorsement/guarantee amount for individual counterparty shall not exceed 15% of the net worth of ASMEDIA as of the period.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
(EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)
(ONLY SECURITIES EXCEEDING NT$300 MILLION ARE DISCLOSED)

DECEMBER 31, 2025

Table 3 (Amounts in thousands of New Taiwan dollars)

Held Company Name	Marketable Securities		Relationship with the Company (Note 1)	Financial Statement Account (Note 2)	December 31, 2025				Note
	Type	Name			Shares/Units	Carrying Value	Percentage (%)	Fair Value	
ASUS	Stock	GLOBALWAFERS	-	d	1,626,626	660,410	0.34	660,410	
ASUS	Stock	ADVANTECH	-	d	113,483,106	32,683,135	13.12	32,683,135	
ASUS	Stock	PEGATRON	-	d	448,506,484	30,767,545	16.72	30,767,545	
ACCQ	Stock	XINZHONGGUAN (WITH EMBEDDED OPTION)	-	b	10,000,000	350,571	10.29	350,571	
ASMEDIA	Stock	WT PREFERRED STOCK	a	d	8,000,000	411,200	-	411,200	
TECHPOINT	Bond	U.S. TREASURY BILLS	-	c	-	672,990	-	672,990	
TECHPOINT	Bond	U.S. TREASURY NOTES	-	c	-	906,570	-	906,570	
HCVC and HMI	Stock	APAQ TECHNOLOGY	-	d	13,878,027	2,262,119	15.10	2,262,119	
AAEON	Stock	MACHVISION TECHNOLOGY	b	b	1,298,217	685,459	2.03	685,459	

Note 1： a. Associate. b. Other related parties.
Note 2： a. Financial assets at fair value through profit or loss - current；b. Financial assets at fair value through profit or loss - non-current；c. Financial assets at fair value through other comprehensive income - current；
d. Financial assets at fair value through other comprehensive income - non-current.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

YEAR ENDED DECEMBER 31, 2025

Table 4 (Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note 1)	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchases/ (Sales)	Amount	Percentage of Total Purchases/ (Sales) amount (%)	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage of Total Notes/Trade Receivables (Payables) (%)	
ASUS	ASUTC	b	(Sales)	(60,113,301)	(9.62)	OA 90	-	-	4,726,831	3.89	
ASUS	ASGL	b	(Sales)	(547,049,048)	(87.52)	OA 180	-	-	104,858,474	86.19	
ASUS	AAEON	b	(Sales)	(798,124)	(0.13)	Month-end 30 days	-	-	2,143	0.00	
ASUS	UEI	b	(Sales)	(1,795,337)	(0.29)	OA 90	-	-	293,723	0.24	
ASMEDIA	ASUS	b	(Sales)	(722,439)	(0.13)	Month-end 30 days	-	-	-	-	
ASUTC	ASUSCLOUD	b	(Sales)	(273,325)	(0.44)	Month-end 120 days	-	-	269	0.01	
ASUTC	TWS	b	(Sales)	(2,639,685)	(4.25)	Month-end 120 days	-	-	796,886	27.86	
ASGL	ACCQ	b	(Sales)	(14,205,370)	(2.43)	OA 180	-	-	671,051	0.43	
ASGL	ACI	b	(Sales)	(105,706,499)	(18.11)	OA 180	-	-	41,025,947	26.08	
ASGL	ACSH	b	(Sales)	(112,268,337)	(19.23)	OA 180	-	-	22,651,293	14.40	
ASGL	ACJP	b	(Sales)	(15,800,348)	(2.71)	OA 120	-	-	3,344,272	2.13	
ASGL	ASIN	b	(Sales)	(15,104,449)	(2.59)	OA 180	-	-	7,206,652	4.58	
ASGL	ACMH	b	(Sales)	(6,469,793)	(1.11)	OA 180	-	-	5,416,894	3.44	
ASGL	ACNL	b	(Sales)	(36,875,452)	(6.32)	OA 150	-	-	19,119,751	12.16	
ASGL	ACJK	b	(Sales)	(11,577,201)	(1.98)	OA 180	-	-	8,036,876	5.11	
ASGL	ACBT	b	(Sales)	(660,888)	(0.11)	OA 180	-	-	493,694	0.31	
ASGL	DATASUSUS	b	(Sales)	(491,925)	(0.08)	OA 180	-	-	354,375	0.23	
ASGL	ACG	b	(Sales)	(298,487)	(0.05)	OA 90	-	-	57,354	0.04	
ASGL	ACNLD	b	(Sales)	(826,220)	(0.14)	OA 150	-	-	432,424	0.27	
ASGL	ACH	b	(Sales)	(124,076)	(0.02)	OA 90	-	-	26,614	0.02	
DATASUSUS	ACI	b	(Sales)	(422,802)	(97.56)	OA 30	-	-	122,198	91.49	
ASKEY	ASKEYI	b	(Sales)	(18,882,884)	(62.75)	Month-end 180 days	-	-	6,000,557	37.28	
ASKEY	ASKEYJS	b	(Sales)	(1,688,807)	(Note 2)	Month-end 180 days	-	-	286,057	1.78	
ASKEY	ASKEYVNBN	b	(Sales)	(13,300,503)	(Note 2)	Month-end 180 days	-	-	7,518,099	46.71	
ASKEY	ASKEYUK	b	(Sales)	(201,383)	(0.67)	Month-end 180 days	-	-	43,010	0.27	
ASKEYJS	ASKEY	b	(Sales)	(5,494,136)	(24.01)	Month-end 180 days	Based on cost of finished goods plus related expenditure of related party	-	4,233,016	28.03	
ASKEYVNBN	ASKEY	b	(Sales)	(14,440,440)	(63.12)	Month-end 180 days	Based on cost of finished goods plus related expenditure of related party	-	6,384,332	42.28	
AAEON	AAEONEI	b	(Sales)	(976,282)	(20.40)	Net 60	-	-	152,324	21.12	
AAEON	AAEONSZ	b	(Sales)	(201,501)	(4.21)	Month-end 60 days	-	-	46,624	6.47	
AAEON	AAEONEU	b	(Sales)	(1,573,242)	(32.87)	Net 60	-	-	272,637	37.81	
ONYX	ONYXHU	b	(Sales)	(296,857)	(28.26)	Month-end 90 days	-	-	101,114	54.02	
ONYX	ONYXHE	b	(Sales)	(106,361)	(10.12)	Month-end 90 days	-	-	26,072	13.93	
FUJIAN	JETWAY	b	(Sales)	(179,895)	(12.79)	Month-end 30-90 days	-	-	-	-	
FUJIAN	AAEONSZ	b	(Sales)	(301,128)	(21.41)	Month-end 30-60 days	-	-	196,036	73.27	
JETWAY	JETWAYUS	b	(Sales)	(222,469)	(15.82)	Month-end 30-60 days	-	-	45,008	16.82	
JETWAY	JETWAYNL	b	(Sales)	(109,529)	(7.79)	Month-end 30-60 days	-	-	-	-	
ASUTC	PORTWELL	c	(Sales)	(426,066)	(0.69)	Month-end 35 days	-	-	26,095	0.91	
ASMEDIA	WT	c	(Sales)	(856,296)	(6.38)	Month-end 30 days	-	-	38,610	2.67	
ASUS	WT	c	Purchases	4,043,295	0.71	Month-end 30-120 days；Current month-end 90-120 days	-	-	(1,485,300)	(1.37)	
ASKEY	WT	c	Purchases	133,331	0.58	OA 120	-	-	(26,814)	(0.18)	
ASKEYJS	WT	c	Purchases	114,856	2.41	OA 120	-	-	(38,556)	(2.68)	
ASUS	ENE	d	Purchases	125,307	0.00	Month-end 90 days；Current month-end 90 days	-	-	(48,887)	(0.05)	

Note 1： a. Parent company；b. Subsidiary；c. Associate；d. Other.

Note 2 : Purchasing raw materials is for subsidiary and the related sales revenue are eliminated in the financial reports.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2025

Table 5

(Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note)	Ending Balance	Turnover (Times)	Overdue		Amounts Received in Subsequent Period	Loss allowance
					Amount	Action Taken		
ASUS	ASUTC	b	4,726,831	16.39	-	-	4,292,616	-
ASUS	ASGL	b	104,858,474	5.76	-	-	101,090,153	-
ASUS	UEI	b	293,723	11.92	-	-	197,203	-
ASUTC	TWS	b	796,886	6.61	-	-	777,088	-
ASGL	ACCQ	b	671,051	20.77	-	-	539,250	-
ASGL	ACI	b	41,025,947	2.80	-	-	18,772,494	-
ASGL	ACSH	b	22,651,293	5.39	-	-	14,051,686	-
ASGL	ACJP	b	3,344,272	5.25	-	-	3,038,941	-
ASGL	ASIN	b	7,206,652	2.34	-	-	1,765,263	-
ASGL	ACMH	b	5,416,894	1.29	875,425	Keep in reconciliation and dunning monthly	2,279,479	-
ASGL	ACNL	b	19,119,751	3.01	-	-	4,426,708	-
ASGL	ACJK	b	8,036,876	1.65	1,841,550	Keep in reconciliation and dunning monthly	2,628,610	-
ASGL	ACBT	b	493,694	1.90	249,735	Keep in reconciliation and dunning monthly	213,968	-
ASGL	DATASUSUS	b	354,375	2.45	-	-	157,061	-
ASGL	ACNLD	b	432,424	3.85	-	-	306,644	-
ASGL	ACIN	b	161,685	0.26	227	Keep in reconciliation and dunning monthly	72,808	-
DATASUSUS	ACI	b	122,198	6.95	92,916	Keep in reconciliation and dunning monthly	120,924	-
ASKEY	ASKEYI	b	6,000,557	3.09	-	-	1,194,340	-
ASKEY	ASKEYJS	b	286,057	4.60	-	-	251,236	-
ASKEY	ASKEYVNBN	b	7,518,099	1.56	-	-	1,176,633	-
ASKEYJS	ASKEY	b	4,233,016	0.78	517,438	Keep in reconciliation and dunning monthly	493,451	-
ASKEYVNBN	ASKEY	b	6,384,332	1.36	-	-	1,461,495	-
AAEON	AAEONEI	b	152,324	9.35	-	-	152,324	-
AAEON	AAEONEU	b	272,637	5.89	-	-	213,463	-
ONYX	ONYXHU	b	101,114	3.70	-	-	61,270	-
FUJIAN	AAEONSZ	b	196,036	3.00	178,754	Keep in reconciliation and dunning monthly	187,441	-

Note：a. Parent company；b. Subsidiary；c. Associate；d. Other.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
(ONLY TRANSACTIONS AMOUNTING TO AT LEAST NT$100 MILLION ARE DISCLOSED)

YEAR ENDED DECEMBER 31, 2025

Table 6-1 (Amounts in thousands of New Taiwan dollars)

No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Account	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (%)
0	ASUS	ASUTC	a	Sales	60,113,301	OA 90	8.14
0	ASUS	ASGL	a	Sales	547,049,048	OA 180	74.04
0	ASUS	AAEON	a	Sales	798,124	Month-end 30 days	0.11
0	ASUS	UEI	a	Sales	1,795,337	OA 90	0.24
1	ASMEDIA	ASUS	b	Sales	722,439	Month-end 30 days	0.10
2	ASUTC	ASUSCLOUD	c	Sales	273,325	Month-end 120 days	0.04
2	ASUTC	TWS	c	Sales	2,639,685	Month-end 120 days	0.36
3	ASGL	ACCQ	c	Sales	14,205,370	OA 180	1.92
3	ASGL	ACI	c	Sales	105,706,499	OA 180	14.31
3	ASGL	ACSH	c	Sales	112,268,337	OA 180	15.19
3	ASGL	ACJP	c	Sales	15,800,348	OA 120	2.14
3	ASGL	ASIN	c	Sales	15,104,449	OA 180	2.04
3	ASGL	ACMH	c	Sales	6,469,793	OA 180	0.88
3	ASGL	ACNL	c	Sales	36,875,452	OA 150	4.99
3	ASGL	ACJK	c	Sales	11,577,201	OA 180	1.57
3	ASGL	ACBT	c	Sales	660,888	OA 180	0.09
3	ASGL	DATASUSUS	c	Sales	491,925	OA 180	0.07
3	ASGL	ACG	c	Sales	298,487	OA 90	0.04
3	ASGL	ACNLD	c	Sales	826,220	OA 150	0.11
3	ASGL	ACH	c	Sales	124,076	OA 90	0.02
4	DATASUSUS	ACI	c	Sales	422,802	OA 30	0.06
5	ASKEY	ASKEYI	c	Sales	18,882,884	Month-end 180 days	2.56
5	ASKEY	ASKEYJS	c	Sales	1,688,807	Month-end 180 days	0.23
5	ASKEY	ASKEYVNBN	c	Sales	13,300,503	Month-end 180 days	1.80
5	ASKEY	ASKEYUK	c	Sales	201,383	Month-end 180 days	0.03
6	ASKEYJS	ASKEY	c	Sales	5,494,136	Month-end 180 days	0.74
7	ASKEYVNBN	ASKEY	c	Sales	14,440,440	Month-end 180 days	1.95
8	AAEON	AAEONEI	c	Sales	976,282	Net 60	0.13
8	AAEON	AAEONSZ	c	Sales	201,501	Month-end 60 days	0.03
8	AAEON	AAEONEU	c	Sales	1,573,242	Net 60	0.21
9	ONYX	ONYXHU	c	Sales	296,857	Month-end 90 days	0.04
9	ONYX	ONYXHE	c	Sales	106,361	Month-end 90 days	0.01
10	FUJIAN	JETWAY	c	Sales	179,895	Month-end 30~90 days	0.02
10	FUJIAN	AAEONSZ	c	Sales	301,128	Month-end 30~60 days	0.04
11	JETWAY	JETWAYUS	c	Sales	222,469	Month-end 30~60 days	0.03
11	JETWAY	JETWAYNL	c	Sales	109,529	Month-end 30~60 days	0.01
12	ACH	ASGL	c	Service revenue	451,611	Pay on delivery	0.06
13	ACI	ASGL	c	Service revenue	362,367	Pay on delivery	0.05
14	ACAE	ASGL	c	Service revenue	342,289	Pay on delivery	0.05
15	ACCH	ASGL	c	Service revenue	105,593	Pay on delivery	0.01
16	ACCZ	ASGL	c	Service revenue	146,453	Pay on delivery	0.02
17	ACCZS	ASGL	c	Service revenue	704,687	Pay on delivery	0.10
18	ACF	ASGL	c	Service revenue	565,317	Pay on delivery	0.08
19	ACG	ASGL	c	Service revenue	574,466	Pay on delivery	0.08
20	ACHK	ASGL	c	Service revenue	205,220	Pay on delivery	0.03
21	ACIN	ASGL	c	Service revenue	353,670	Pay on delivery	0.05
22	ACKR	ASGL	c	Service revenue	107,787	Pay on delivery	0.01
23	ACPL	ASGL	c	Service revenue	233,838	Pay on delivery	0.03
24	ACUK	ASGL	c	Service revenue	336,776	Pay on delivery	0.05
25	ACVN	ASGL	c	Service revenue	205,154	Pay on delivery	0.03
26	ACAU	ASGL	c	Service revenue	322,984	Pay on delivery	0.04
27	ACIL	ASGL	c	Service revenue	116,239	Pay on delivery	0.02
28	ACS	ASGL	c	Service revenue	246,907	Pay on delivery	0.03
29	ACN	ASGL	c	Service revenue	407,946	Pay on delivery	0.06

No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Account	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (%)
30	ACCO	ASGL	c	Service revenue	136,527	Pay on delivery	0.02
31	ACTH	ASGL	c	Service revenue	137,280	Pay on delivery	0.02
32	ACZA	ASGL	c	Service revenue	102,668	Pay on delivery	0.01
33	ACMY	ASGL	c	Service revenue	168,772	Pay on delivery	0.02
34	ACTR	ASGL	c	Service revenue	228,461	Pay on delivery	0.03
35	ASPH	ASGL	c	Service revenue	114,940	Pay on delivery	0.02
36	ACSH	ASGL	c	Service revenue	181,007	Pay on delivery	0.02
37	ACSZ	ASGL	c	Service revenue	2,547,849	Pay on delivery	0.34
38	ACSH	ACCQ	c	Service revenue	161,436	Pay on delivery	0.02
39	ACIB	ACNL	c	Service revenue	375,938	Pay on delivery	0.05
40	ACIT	ACNL	c	Service revenue	376,383	Pay on delivery	0.05
41	ATUS	ASUS	b	Service revenue	326,656	Net 30	0.04
42	ATL	ASUS	b	Service revenue	139,960	Net 30	0.02

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
(ONLY TRANSACTIONS AMOUNTING TO AT LEAST NT$100 MILLION ARE DISCLOSED)

DECEMBER 31, 2025

Table 6-2 (Amounts in thousands of New Taiwan dollars)

No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Account	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (%)
0	ASUS	ASUTC	a	Trade receivables	4,726,831	OA 90	0.75
0	ASUS	ASGL	a	Trade receivables	104,858,474	OA 180	16.60
0	ASUS	UEI	a	Trade receivables	293,723	OA 90	0.05
2	ASUTC	TWS	c	Trade receivables	796,886	Month-end 120 days	0.13
3	ASGL	ACCQ	c	Trade receivables	671,051	OA 180	0.11
3	ASGL	ACI	c	Trade receivables	41,025,947	OA 180	6.49
3	ASGL	ACSH	c	Trade receivables	22,651,293	OA 180	3.59
3	ASGL	ACJP	c	Trade receivables	3,344,272	OA 120	0.53
3	ASGL	ASIN	c	Trade receivables	7,206,652	OA 180	1.14
3	ASGL	ACMH	c	Trade receivables	5,416,894	OA 180	0.86
3	ASGL	ACNL	c	Trade receivables	19,119,751	OA 150	3.03
3	ASGL	ACJK	c	Trade receivables	8,036,876	OA 180	1.27
3	ASGL	ACBT	c	Trade receivables	493,694	OA 180	0.08
3	ASGL	DATASUSUS	c	Trade receivables	354,375	OA 180	0.06
3	ASGL	ACNLD	c	Trade receivables	432,424	OA 150	0.07
3	ASGL	ACIN	c	Trade receivables	161,685	OA 150	0.03
4	DATASUSUS	ACI	c	Trade receivables	122,198	OA 30	0.02
5	ASKEY	ASKEYI	c	Trade receivables	6,000,557	Month-end 180 days	0.95
5	ASKEY	ASKEYJS	c	Trade receivables	286,057	Month-end 180 days	0.05
5	ASKEY	ASKEYVNBN	c	Trade receivables	7,518,099	Month-end 180 days	1.19
6	ASKEYJS	ASKEY	c	Trade receivables	4,233,016	Month-end 180 days	0.67
7	ASKEYVNBN	ASKEY	c	Trade receivables	6,384,332	Month-end 180 days	1.01
8	AAEON	AAEONEI	c	Trade receivables	152,324	Net 60	0.02
8	AAEON	AAEONEU	c	Trade receivables	272,637	Net 60	0.04
9	ONYX	ONYXHU	c	Trade receivables	101,114	Month-end 90 days	0.02
10	FUJIAN	AAEONSZ	c	Trade receivables	196,036	Month-end 30~60 days	0.03
13	ACI	ASGL	c	Trade receivables	145,847	Pay on delivery	0.02
37	ACSZ	ASGL	c	Trade receivables	238,421	Pay on delivery	0.04
43	ACJK	ASGL	c	Trade receivables	232,215	Month-end 90 days；OA 180	0.04

Note 1： ASUS and its subsidiaries are coded as follows:

a. ASUS is coded 0.

b. The subsidiaries are coded consecutively beginning from 1 in the order presented in the table above.

Note 2： Transactions are categorized as follows:

a. The parent company to subsidiary.

b. Subsidiary to parent company.

c. Subsidiary to subsidiary.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
(EXCLUDING INFORMATION ON INVESTMENTS IN MAINLAND CHINA)

YEAR ENDED DECEMBER 31, 2025

Table 7 (Amounts in thousands of New Taiwan dollars)

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2025			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership (%)	Carrying Value			
ASUS	ASKEY	Taiwan	Designing, manufacturing, repairing and selling of communication products and computer peripheral spare parts	5,021,108	5,021,108	480,000,000	100.00	252,018	189,655	186,331	Note 2
ASUS	ASUTC	Taiwan	Selling of 3C products in Taiwan	204,244	204,244	19,000,000	100.00	662,858	681,794	681,794	Note 1 and 2
ASUS	ASUSCLOUD	Taiwan	Selling of internet service	736,678	736,678	1,091,513	96.53	64,531	(3,946)	(3,809)	Note 2
ASUS	HCVC	Taiwan	Investing of computer peripherals business	1,250,000	1,250,000	159,500,000	100.00	5,747,693	460,505	460,505	Note 2
ASUS	HMI	Taiwan	Investing of computer peripherals business	680,000	680,000	100,500,000	100.00	2,792,932	234,420	234,401	Note 2
ASUS	UEI	Taiwan	Manufacturing and selling of automotive electronics and computer peripherals	66,354	66,354	21,300,000	100.00	294,792	74,336	74,336	Note 2
ASUS	ATL	Taiwan	Researching, developing and authorizing of communication technology	320,000	320,000	32,000,000	100.00	93,533	(2,717)	(2,717)	Note 2
ASUS	MEDUS	Taiwan	Selling of information system servicing	61,540	61,540	5,900,000	100.00	71,525	9,540	9,540	Note 2
ASUS	AMV	Taiwan	Selling of metaverse services	20,000	20,000	2,000,000	100.00	18,831	38	38	Note 2
ASUS	ASUSLC	Taiwan	Selling of internet information service	9,000	9,000	900,000	90.00	3,308	142	128	Note 2
ASUS	DATASUS	Taiwan	Investing of industrial server peripheral products business	200,000	200,000	20,000,000	100.00	163,110	6,771	6,771	Note 2
ASUS	THBDT	Taiwan	Selling of medical data integration and analytics	65,000	-	6,500,000	65.00	60,040	(7,631)	(5,813)	Note 2
ASUS	ACI	U.S.A.	Selling of 3C products in North America	13,320	13,320	50,000	100.00	2,514,129	530,831	530,831	Note 2
ASUS	ACH	Netherlands	Repairing of 3C products	155,336	155,336	10,800,000	100.00	441,636	14,673	14,673	Note 2
ASUS	AIL	Cayman Islands	Investing of 3C and computer peripheral business	3,281,057	3,281,057	89,730,042	100.00	49,501,125	4,423,963	4,423,963	Note 1 and 2
ASUS	ASGL	Singapore	Selling of 3C products	838,070	838,070	28,000,000	100.00	42,358,036	15,576,135	17,995,058	Note 2
ASUS	QCI	Singapore	Selling of information technology servicing	25,290	25,290	830,001	100.00	57,527	2,192	2,192	Note 2
ASUS	ATUS	U.S.A.	Researching and developing of 3C products	126,754	126,754	400,000	100.00	160,275	15,621	15,621	Note 2
ASUS	DEEP	Taiwan	Researching, developing and selling of AI medical related software	45,030	45,030	674,908	20.63	-	(110)	-	Note 2
ASUS	PORTWELL	Taiwan	Manufacturing and Selling of computer and computer peripheral equipment and selling of information software service	2,325,000	2,325,000	44,239,755	45.00	4,199,695	3,523,159	1,534,737	Note 2
ASUS	ASUSTOR	Taiwan	Researching, developing and selling of cloud computing service	84,035	84,035	6,961,620	38.04	156,216	130,133	49,505	Note 2
ASUS	GAIUS	Taiwan	Researching, developing and selling of electric motor tricycle industry	185,184	185,184	17,649,822	21.71	120,027	(166,861)	(35,573)	Note 2
ASUS	QSAN	Taiwan	Designing, researching, developing and selling of network storage services	168,370	-	1,891,793	19.82	168,370	57,046	-	Note 2
ASUS and HCVC	SWI	Taiwan	Researching, developing and selling of information system software	72,146	72,146	5,469,750	51.00	63,990	(23,924)	(12,201)	Note 2
ASUS and HCVC	IUT	Taiwan	Researching, developing, manufacturing and selling of ink-jet print heads and ink-jet digital image output technology	177,743	177,743	11,323,682	69.25	159,613	26,074	18,057	Note 2
ASUS and HCVC	SHINYOPTICS	Taiwan	Researching, developing, manufacturing and selling of virtual image optical engines and vehicle head-up displays	46,987	36,987	2,232,900	90.04	16,251	(5,249)	(4,625)	Note 2
ASUS and HCVC	ACBT	Indonesia	Selling of 3C products in Indonesia	1,126,979	1,126,979	4,211,100	100.00	-	(38,607)	(38,607)	Note 2 and 3
ASUS and HCVC	ACJK	Indonesia	Selling of 3C products in Indonesia	471,264	374,569	15,400	100.00	-	(979,569)	(979,569)	Note 2 and 3
ASUS and HCVC	UPI	Taiwan	Designing, researching, developing and selling of integrated circuits	427,761	427,761	23,138,905	21.94	4,221,974	692,687	132,286	Note 2
ASUS and HCVC	IMOZEN	Taiwan	Investing of AI and OPC peripherals business	310,770	330,000	2,461,301	23.53	20,802	(47,452)	(9,489)	Note 2
ASUS and HCVC	LELTEK	Taiwan	Researching, developing and selling of handheld ultrasound solutions business	136,054	136,054	5,171,060	19.90	145,752	(20,911)	(4,415)	Note 2
ASUS, HCVC and HMI	ASMEDIA	Taiwan	Designing, researching, developing and manufacturing of high-speed analog circuit	342,673	342,673	31,775,315	42.56	15,277,807	5,425,836	1,778,039	Note 2
ASUS, HCVC and HMI	AAEON	Taiwan	Manufacturing and selling of industrial computers and computer peripherals	3,357,568	3,357,568	63,482,936	37.46	5,511,189	703,344	189,667	Note 2
ASUS, HMI and AAEON	ONYX	Taiwan	Designing, manufacturing and selling of medical computers	245,386	245,386	21,058,613	53.91	833,210	107,931	5,384	Note 2 and 4

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2025			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership (%)	Carrying Value			
ASUS, HCVC and HMI	EMC	Taiwan	Designing, manufacturing and selling of computer peripheral spare parts	81,060	81,060	6,359,548	12.50	407,863	207,367	9,160	Note 2
ASUS, HCVC and HMI	JPX	Taiwan	Designing and selling of computer peripheral spare parts	20,000	20,000	4,000,000	10.11	1,961	(30,322)	(1,622)	Note 2
ASUS and ASUSCLOUD	TWS	Taiwan	Selling of AI computing services	540,000	540,000	32,142,857	74.18	373,532	130,924	74,467	Note 2 and 4
ASUS, HCVC and ASUSCLOUD	ASUSMAAS	Taiwan	Researching, developing and selling of smart parking system and charging piles	180,000	180,000	18,000,000	100.00	24,595	(80,407)	(53,604)	Note 2 and 4
ASUS and ASTP	ASIN	India	Selling of 3C products in India	213,017	222,200	33,500,000	100.00	385,574	545,841	-	Note 2
ASUS and ASTP	ACIN	India	Supporting and repairing of 3C products in India	259,846	271,049	20,134,400	100.00	446,057	44,366	-	Note 2
ASKEY	ASKEYDT	Taiwan	Selling and supporting of communication products	30,000	30,000	3,000,000	100.00	30,469	140	-	Note 2
ASKEY	WONDA	Taiwan	Manufacturing and designing of wired and wireless communication, electronic parts products, etc.	65,344	65,344	9,242,232	100.00	52,176	(941)	-	Note 2
ASKEY	ASKEYI	U.S.A.	Selling, repairing and supporting of communication products	307,607	307,607	10,000,000	100.00	146,222	48,291	-	Note 2
ASKEY	DIC	British Virgin Islands	Investing of communication business	271,695	271,695	8,160,172	100.00	102,355	7,669	-	Note 2
ASKEY	MIC	British Virgin Islands	Investing of communication business	3,752,306	3,752,306	114,942,014	100.00	3,221,220	(133,502)	-	Note 2
ASKEY	ASKEYUK	U.K.	Selling and supporting of communication products	37,740	37,740	1,000,000	100.00	46,358	5,274	-	Note 2
ASKEY	ASKEYVNBN	Vietnam	Manufacturing and selling of communication products	620,804	620,804	-	100.00	747,436	2,542	-	Note 2
ASKEY and ASKEYDT	DNS	Mexico	Selling and supporting of communication products	6,935	923	4,368,000	100.00	5,292	(1,768)	-	Note 2
ASKEY and MIC	ASKEYBR	Brazil	Selling and supporting of communication products	32,551	33,954	3,700,000	100.00	7,464	287	-	Note 2
ASKEY and WISE	ASKEYFR	France	Selling and supporting of communication products	182,416	184,241	4,818,090	100.00	78,316	(7,226)	-	Note 2
DIC	WISE	Hong Kong	Investing of communication business	42,478	44,309	1,600,000	100.00	12,711	(1,170)	-	Note 2
MIC	MAGICOM	Cayman Islands	Investing of communication business	2,861,073	2,984,419	91,030,000	100.00	3,611,681	(262,860)	-	Note 2
MIC	ASKEYCG	Germany	Selling and supporting of communication products	4,113	4,290	100,000	100.00	7,629	27	-	Note 2
MIC	ASKEYTH	Thailand	Selling and supporting of communication products	1,971	2,056	20,000	100.00	1,225	3	-	Note 2
MIC	ASKEYJP	Japan	Selling and supporting of communication products	1,478	1,541	500,000	100.00	-	668	-	Note 2 and 3
ASKEY	ECOLAND	Taiwan	Desiging and selling of green energy buildings and surrounding ecosystem	21,840	21,840	780,000	33.91	-	(101)	-	Note 2 and 3
ASMEDIA	WT	Taiwan	Selling of semiconductor and electronic components	8,307,440	8,307,440	188,720,421	14.94	17,460,136	13,152,813	-	Note 2
ASMEDIA	XINPAL	Singapore	Designing, researching and developing of high performance computing IC	112,998	112,998	37,500,000	29.70	110,533	35,635	-	Note 2
ASMEDIA	TECHPOINT	U.S.A.	Selling of semiconductor IC chip	12,412,536	-	19,554,940	100.00	12,846,085	520,179	-	Note 2
TECHPOINT	TECHJP	Japan	Designing, researching and developing of semiconductor IC chip	2,022	-	10	100.00	34,063	3,651	-	Note 2
HMI	JOGEEK	Taiwan	Selling and repairing of information software and electronic information materials	30,000	30,000	3,000,000	100.00	26,711	55	-	Note 2
DATASUS	DATASUSUS	U.S.A.	Manufacturing and selling of industrial server peripheral products	190,575	190,575	600,000	100.00	160,039	6,750	-	Note 2
AAEON	AAEONI	Taiwan	Investing of industrial computers and computer peripherals business	150,000	150,000	15,000,000	100.00	126,588	(12,965)	-	Note 2
AAEON	LITEMAX	Taiwan	Selling of computer peripherals	70,218	70,218	5,015,050	11.82	106,719	76,271	-	Note 2
AAEON	IBASE	Taiwan	Manufacturing and selling of industrial motherboard	3,498,501	3,498,501	52,921,856	26.57	3,032,301	170,554	-	Note 2
AAEON	JETWAY	Taiwan	Manufacturing and selling of industrial motherboard and computer peripherals	892,474	892,468	19,845,958	35.29	822,121	152,747	-	Note 2
AAEON	AAEONEI	U.S.A.	Selling of industrial computers and computer peripherals	154,007	160,647	490,000	100.00	367,877	21,929	-	Note 2
AAEON	AAEONTCL	British Virgin Islands	Investing of industrial computers and interface cards business	276,807	288,741	8,807,097	100.00	105,882	(35,769)	-	Note 2
AAEON	AAEONEU	Netherlands	Selling of industrial computers and computer peripherals	3,690	3,414	-	100.00	53,697	(33,162)	-	Note 2
AAEON	AAEONSG	Singapore	Selling of industrial computers and computer peripherals	14,263	14,076	465,840	100.00	70,520	605	-	Note 2
AAEONEU	AAEONG	Germany	Selling of industrial computers and computer peripherals	1,107	1,024	-	100.00	28,187	1,481	-	Note 2
ONYX	IHELPER	Taiwan	Researching, developing and selling of medical robots	-	16,560	-	46.00	-	(804)	-	Note 2
ONYX	WINMATE	Taiwan	Selling of liquid crystal display application equipment and modules	568,585	568,585	10,244,000	12.73	658,831	523,777	-	Note 2

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2025			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership (%)	Carrying Value			
ONYX	PROTECTLIFE	Taiwan	Manufacturing and selling of medical equipment and consumables	57,688	47,928	3,300,000	13.18	33,752	(49,704)	-	Note 2
ONYX	ONYXHU	U.S.A.	Selling of medical computers and peripherals	62,860	65,570	200,000	100.00	91,361	(4,480)	-	Note 2
ONYX	ONYXHE	Netherlands	Marketing support and repairing of medical computers and peripherals	3,690	3,414	100,000	100.00	49,925	9,575	-	Note 2
JETWAY	JETWAYUS	U.S.A.	Selling and repairing of computer peripheral equipment	119,434	124,583	380	100.00	211,712	16,105	-	Note 2
JETWAY	JETWAYNL	Netherlands	Selling and repairing of computer peripheral equipment	696	729	40	100.00	33,036	475	-	Note 2
JETWAY	JETWAYFE	British Virgin Islands	Investing of computer peripherals business	2,660	101,130	84,634	100.00	-	5,660	-	Note 2 and 3
JETWAY	TOPNOVEL	Seychelles	Investing of computer peripherals business	556,327	580,311	17,700,500	100.00	490,661	12,356	-	Note 2
JETWAYFE	SCORETIME	British Virgin Islands	Investing of computer peripherals business	-	99,490	-	100.00	-	12,954	-	Note 2
TOPNOVEL	CANDID	Seychelles	Investing of computer peripherals business	535,882	558,984	17,050,000	100.00	486,885	12,327	-	Note 2
AIL	CHANNEL	British Virgin Islands	Investing of 3C business	943,937	984,632	30,033,000	100.00	51,739,642	4,381,493	-	Note 2
CHANNEL	ASTP	Singapore	Investing of 3C business	942,979	983,632	44,419,424	100.00	46,018,466	1,392,122	-	Note 2
CHANNEL and ASTP	ACAE	United Arab Emirates	Supporting and repairing of 3C products in Middle East	92,499	96,487	107	100.00	126,921	8,003	-	Note 2
CHANNEL and ASTP	ACEG	Egypt	Supporting of 3C products in Egypt	-	-	-	100.00	1,843	272	-	Note 2
CHANNEL and ASTP	ASID	Indonesia	Repairing of 3C products in Asia-pacific and America	47,145	49,178	1,500,000	100.00	66,663	9,739	-	Note 2
CHANNEL, ASTP and ACNL	ACTH	Thailand	Supporting of 3C products in Thailand	18,556	19,356	25,000	100.00	49,047	3,211	-	Note 2
CHANNEL, ASTP and ACNL	ASTH	Thailand	Repairing of 3C products in Thailand	22,139	23,094	240,000	100.00	55,823	8,578	-	Note 2
ASTP	ACG	Germany	Selling and supporting of 3C products in Germany	2,977	3,105	-	100.00	272,614	19,911	-	Note 2
ASTP	ACF	France	Supporting of 3C products in France	320,399	1,635	440,300	100.00	456,619	27,738	-	Note 2
ASTP	ACUK	U.K.	Supporting of 3C products in United Kingdom	204,231	2,958	4,950,000	100.00	324,146	11,882	-	Note 2
ASTP	ACHK	Hong Kong	Supporting and repairing of 3C products in Hong Kong	280,263	292,345	69,500,000	100.00	310,921	(2,952)	-	Note 2
ASTP	ACKR	South Korea	Supporting and repairing of 3C products in South Korea	10,873	11,342	158,433	100.00	70,878	14,802	-	Note 2
ASTP	ACNL	Netherlands	Selling of 3C products	18,298	19,087	375,000	100.00	2,939,504	417,196	-	Note 2
ASTP	ACVN	Vietnam	Supporting and repairing of 3C products in Vietnam	2,514	2,623	-	100.00	60,737	9,505	-	Note 2
ASTP	ACIB	Spain	Supporting of 3C products in Spain	69,566	72,565	3,000	100.00	433,825	64,929	-	Note 2
ASTP	ACJP	Japan	Selling of 3C products in Japan	76,929	80,245	20,500	100.00	634,883	149,572	-	Note 2
ASTP	ASAU	Australia	Repairing of 3C products in Australia	30,339	31,647	950,000	100.00	106,455	10,807	-	Note 2
ASTP	ACAU	Australia	Supporting of 3C products in Australia	11,340	11,829	350,000	100.00	122,126	16,974	-	Note 2
ASTP	ACIL	Israel	Supporting of 3C products in Israel	409	426	50,000	100.00	40,018	8,714	-	Note 2
ASTP	ACCO	Colombia	Supporting of 3C products in Colombia	943	984	74,489	100.00	14,555	2,373	-	Note 2
ASTP	ACZA	South Africa	Supporting and repairing of 3C products in Africa	27,963	29,168	-	100.00	49,921	3,892	-	Note 2
ASTP	ACMY	Malaysia	Supporting and repairing of 3C products in Malaysia	3,673	3,831	500,000	100.00	36,207	3,200	-	Note 2
ASTP	ACCL	Chile	Supporting of 3C products in Chile	54	56	1,000	100.00	16,229	4,760	-	Note 2
ASTP	ASPH	Philippines	Supporting and repairing of 3C products in Philippines	6,632	6,918	1,119,998	100.00	15,026	1,781	-	Note 2
ASTP	APVN	Vietnam	Leasing and selling of real estate	471,450	491,775	-	100.00	462,207	14,332	-	Note 2
ASTP and ACNL	A25	Russia	Selling of 3C products in Russia	4	4	-	100.00	5,058	(977)	-	Note 2
ASTP and ACNL	ACPE	Peru	Supporting of 3C products in Peru	70,782	41,457	7,520,532	100.00	75,680	270	-	Note 2
ASTP and ACNL	ACMH	Mexico	Selling of 3C products in Mexico	119,715	124,745	51,250	100.00	142,631	(68,175)	-	Note 2
ASTP and ACNL	ACBZ	Brazil	Selling of 3C products in Brazil	6,195,214	6,462,261	549,469,000	100.00	5,135,397	464,185	-	Note 2
ACNL	ACHU	Hungary	Supporting of 3C products in Hungary	1,845	1,707	-	100.00	21,652	2,994	-	Note 2
ACNL	ACPT	Portugal	Supporting of 3C products in Portugal	1,107	1,024	30,000	100.00	26,651	2,857	-	Note 2
ACNL	ACCH	Switzerland	Supporting of 3C products in Switzerland	8,432	7,802	3,400	100.00	32,871	4,005	-	Note 2
ACNL	ACN	Sweden	Supporting of 3C products in North Europe	1,176	1,088	3,000	100.00	120,023	13,737	-	Note 2
ACNL	ACTR	Turkey	Supporting and repairing of 3C products in Turkey	166,738	154,267	50,741	100.00	201,358	18,141	-	Note 2
ACNL	ACPL	Poland	Supporting of 3C products in Poland	53,713	49,695	1,000	100.00	106,250	10,547	-	Note 2

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2025			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2025	December 31, 2024	Shares	Percentage of Ownership (%)	Carrying Value			
ACNL	ACIT	Italy	Supporting of 3C products in Italy	407,658	377,168	-	100.00	469,058	(29,267)	-	Note 2
ACNL	ACCZ	Czech Republic	Supporting of 3C products in Czech Republic	289	267	-	100.00	27,677	4,390	-	Note 2
ACNL	ACCZS	Czech Republic	Repairing of 3C products in Europe	136,401	126,199	-	100.00	387,852	20,960	-	Note 2
ACNL	ACUKR	Ukraine	Supporting of 3C products in Ukraine	10,833	10,023	-	100.00	16,338	2,532	-	Note 2
ACNL	ACNLD	Netherlands	Selling of 3C products	28,043	-	-	100.00	-	(35,851)	-	Note 2 and 3

Note 1：Original investment amount excludes other interest oriented from shareholders' stock trust which distributes to employees.

Note 2：According to regulation, only disclose the share of profit / loss of investee recognized by ASUS.

Note 3：Credit balance of investments accounted for under equity method is transferred to other liabilities - non-current.

Note 4：Percentage of ownership represents controlling shareholding ratio but not the comprehensive shareholding ratio.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

YEAR ENDED DECEMBER 31, 2025

Table 8 (Amounts in thousands of New Taiwan dollars and foreign currencies)

Investee Company	Main Businesses	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Beginning Balance of Accumulated Outflow of Investment from Taiwan	Investment Flows		Ending Balance Accumulated Outflow of Investment from Taiwan	Net Income (Loss) of the Investee Company	Percentage of Ownership (%)	Investment Income (Loss) Recognized in Current Period (Note 2 a and b)	Carrying Amount as of December 31, 2025 (Note 2 a and b)	Ending Balance of Accumulated Inward Remittance of Earnings	Note (Note 1 b)
					Outflow	Inflow							
ACSH	Selling of 3C products in China	6,854,883	b	1,511,783	-	-	1,511,783	723,713	100.00	723,713	4,361,070	-	ASTP Invested
ACS	Repairing of 3C products	62,860	b	62,860	-	-	62,860	6,242	100.00	6,242	107,548	-	ASTP Invested
ASKEYJS	Manufacturing and selling of communication products	2,828,700	b	2,828,700	-	-	2,828,700	(264,250)	100.00	(264,250)	3,568,248	-	MAGICOM Invested
AAEONSZ	Manufacturing and selling of industrial computers and interface cards	273,135	b	273,135	-	-	273,135	(35,560)	100.00	(35,560)	114,188	-	AAEONTCL Invested
EMES	Selling of information system software	9,429	a	9,429	-	-	9,429	1,365	100.00	1,365	31,584	-	-
ASKEYSH	Researching, developing and selling of communication products	94,290	b	94,290	-	-	94,290	5,175	100.00	5,175	16,262	-	MIC Invested
ACSZ	Researching and developing of 3C products	1,540,070	b	1,540,070	-	-	1,540,070	149,992	100.00	149,992	2,465,346	-	ASTP Invested
FUJIAN	Manufacturing and selling of computer and peripheral equipment	534,310	b	534,310	-	-	534,310	12,315	100.00	12,315	485,236	-	CANDID Invested
ACCQ	Selling of 3C products in China	2,168,670	b	2,168,670	-	-	2,168,670	314,335	100.00	314,335	6,080,517	-	ASTP Invested
ACISZ	Leasing of real estate	1,113,216	c	-	-	-	-	(36,402)	100.00	(36,402)	942,511	-	-
ONYXSH	Selling of medical computers and peripherals	73,861	a	69,146	4,715	-	73,861	(2,103)	100.00	(2,103)	3,770	-	-
TECHSZ	Designing, researching and developing of semiconductor IC chip	2,045	c	-	-	-	-	7,839	100.00	7,839	26,395	-	-
JSCD	Participating and promoting of professional eSports	673,900	a	673,900	-	-	673,900	(139,574)	100.00	(139,574)	226,115	-	-
JRCD	Participating and promoting of professional eSports	22,472	c	-	-	-	-	(3,234)	100.00	(3,234)	8,873	-	-
PSCD	Selling of multi-channel network services	86,558	c	-	-	-	-	1,155	100.00	1,155	91,088	-	-
AESZ	Manufacturing and selling of vehicle products in China	157,150	b	-	157,150	-	157,150	(1,500)	100.00	(1,500)	157,978	-	ASTP Invested

Company Name	Ending Balance of Accumulated Investment in Mainland China	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
ASUS	6,779,527 USD 215,702	12,323,779 USD 392,102	178,537,918
ASKEY	3,329,134 USD 105,922	3,329,134 USD 105,922	(Note 3)
ASMEDIA	-	74,485 USD 2,542	21,685,601
AAEON	273,135 USD 8,690	273,135 USD 8,690	7,145,888
SWI	9,429 USD 300	10,686 USD 340	75,282
ONYX	73,861 USD 2,350	73,861 USD 2,350	942,058
JETWAY	534,310 USD 17,000	534,310 USD 17,000	781,719

Note 1：The methods for engaging in investment in Mainland China include the following:

a. Direct investment in Mainland China.

b. Indirect investment in Mainland China through companies registered in a third region (Please specify the name of the company in third region).

c. Other methods.

Note 2：The investment income (loss) recognized in current period:

Please specify no investment income (loss) has been recognized due to the investment is still during development stage.

The investment income (loss) was determined based on the following basis:

a. The financial report was audited by an international accounting firm in cooperation with an R.O.C. accounting firm.

b. Others.

Note 3：In accordance with the “Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China”, there is no upper limit on investment.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report Thereon

December 31, 2024 and 2023

(Stock Code: 2357)

Address: No.15, Li-Te Rd., Peitou, Taipei, Taiwan, R.O.C.

Telephone: 886-2-2894-3447

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

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Independent Auditors' Report

To the Board of Directors and Shareholders of

ASUSTEK COMPUTER INC.:

Opinion

We have audited the accompanying consolidated balance sheets of ASUSTEK COMPUTER INC. and its subsidiaries (the "Group") as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. In our opinion, based on our audits and the reports of the other independent auditors, as described in the Other matter section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
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Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

Evaluation of inventories

Description

Refer to Note 4(14) for the accounting policies on the evaluation of inventories, Note 5 for the uncertainty of accounting estimations and assumptions for evaluation of inventories, and Note 6(9) for the details of inventory valuation.

The Group is primarily engaged in the design, R&D, and sales of 3C products. Due to the rapid technological innovations and competition within the industry, frequent releases of new products result in potential price fluctuations and product marginalization in the market. Additionally, it also affects the estimation of net realizable values of inventories.

In response to changing markets and its development strategies, the Group adjusts its inventory levels. The Group's primary product line is notebook computer. As a result, the related inventory levels for the product line as mentioned above are significant. Management evaluates inventories stated at the lower of cost and net realizable value. Since the evaluation of inventories is subject to management's judgment and the accounting estimations will have significant influence on the inventory values, the evaluation of inventories has been identified as one of the key audit matters.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Assessed the policy on allowance for inventory valuation loss based on our understanding of the Group's operations and industry.
2. Inspected the management's individually identified out-of-date inventory list and checked the related supporting documents.
3. Tested the basis of market value used in calculating the net realizable value of inventory and validated the accuracy of net realizable value calculation of selected samples.

Refund liabilities - sales returns and discounts

Description

Refer to Note 4(34) for the accounting policies on estimations for sales returns and discounts, Note 5 for the uncertainty of accounting estimations and assumptions for refund liabilities - sales returns and discounts, and Note 6(18) for the details of refund liabilities - sales returns and discounts. As of December 31, 2024, refund liabilities - sales returns and discounts amounted to $36,156,193 thousand.

The Group periodically estimates refund liabilities - sales returns and discounts based on each product line's actual sales returns and discounts, and considers if there are special factors which will affect the original estimations. Since the refund liabilities - sales returns and discounts is subject to management's judgment and the market of 3C products changes rapidly, management's use of historical experience to accrue for future sales returns and discounts will cause uncertainty of accounting estimations. Thus, provision for sales returns and discounts has been identified as one of the key audit matters.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Assessed the reasonableness of policies used in estimating refund liabilities - sales returns and discounts, taking into consideration actual sales returns and discounts. Performed sample testing to verify that accrual rates have been approved appropriately.
2. Selected samples and tested the calculation logic used in the refund liabilities - sales returns and discounts statements, including accrual and reversal statements of refund liabilities - sales returns and discounts.
3. Selected samples and confirmed whether accrual amounts based on the accrual statements of refund liabilities - sales returns and discounts have been properly recognized in the financial statements.

4. Selected samples and confirmed whether the reversal amounts based on the reversal statements of refund liabilities - sales returns and discounts have been properly recognized in the financial statements and checked against the original vouchers.

Other matter – Reference to the audits of other independent auditors

We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for under the equity method, which statements reflect total assets of $22,556,580 thousand and $18,123,853 thousand (including investments accounted for under the equity method amounting to $7,827,464 thousand and $7,274,423 thousand), constituting 4.05% and 3.78% of consolidated total assets as of December 31, 2024 and 2023, respectively, total operating revenues of $10,395,738 thousand and $8,175,694 thousand, constituting 1.77% and 1.70% of consolidated total operating revenues for the years ended December 31, 2024 and 2023, respectively, and the share of profit and other comprehensive income of associates and joint ventures accounted for under the equity method of $1,164,759 thousand and $499,132 thousand, constituting 2.81% and 1.21% of consolidated total comprehensive income for the years ended December 31, 2024 and 2023, respectively. The financial statements of these investee companies were audited by other independent auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and information disclosed relative to these consolidated subsidiaries and investments accounted for under the equity method, is based solely on the reports of other independent auditors.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion with an Other matter section on the parent company only financial statements of ASUSTEK COMPUTER INC. as of and for the years ended December 31, 2024 and 2023.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the Audit Committee, are responsible for overseeing the Group's financial reporting process.

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Independent auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with

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them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Chang, Shu-Chiung　　Hsu, Sheng-Chung

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 11, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS	NOTES	DECEMBER 31, 2024 AMOUNT	%	DECEMBER 31, 2023 AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	$ 94,037,992	17	$ 79,226,605	17
Financial assets at fair value through profit or loss – current	6(2)	2,619,842	1	1,467,580	-
Financial assets at fair value through other comprehensive income – current	6(3)	681,019	-	1,062,825	-
Financial assets at amortized cost – current	6(4)	5,031,794	1	542,352	-
Derivative financial assets for hedging – current	6(5)	853,038	-	-	-
Notes receivable	6(6)	7,894,697	1	5,114,475	1
Trade receivables	6(6)(7)(8) and 7	99,183,473	18	81,702,834	17
Other receivables	7	1,200,982	-	1,343,625	-
Inventories	6(9)	152,619,677	27	122,790,339	26
Prepayments	9	14,748,951	3	13,686,458	3
Other current assets	8	371,510	-	239,533	-
Total current assets		379,242,975	68	307,176,626	64
Non-current assets					
Financial assets at fair value through profit or loss – non-current	6(2)	722,359	-	82,080	-
Financial assets at fair value through other comprehensive income – non-current	6(3)	87,111,996	16	84,270,256	18
Financial assets at amortized cost – non-current	6(4) and 8	5,947,095	1	9,429,433	2
Investments accounted for under equity method	6(10)	29,829,723	5	24,884,185	5
Property, plant and equipment	6(11) and 8	20,838,039	4	20,082,391	4
Right-of-use assets	6(12)	2,143,473	-	1,790,970	-
Investment property		8,626,004	2	8,265,850	2
Intangible assets	6(13)	2,891,008	1	2,686,802	1
Deferred income tax assets	6(28)	16,321,820	3	16,905,725	3
Other non-current assets	6(10),8 and 9	2,849,143	-	4,507,482	1
Total non-current assets		177,280,660	32	172,905,174	36
TOTAL ASSETS		$ 556,523,635	100	$ 480,081,800	100

(Continued)

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

LIABILITIES AND EQUITY	NOTES	DECEMBER 31, 2024 AMOUNT	%	DECEMBER 31, 2023 AMOUNT	%
Current liabilities					
Short-term borrowings	6(14)(30)	$ 25,200,887	5	$ 16,239,321	3
Financial liabilities at fair value through profit or loss – current	6(2)	28,576	-	1,053,507	-
Derivative financial liabilities for hedging – current	6(5)	13,327	-	709,249	-
Contract liabilities – current	6(23)	2,338,065	-	2,133,239	-
Notes and trade payables	6(8) and 7	73,996,978	13	56,967,248	12
Other payables – accrued expenses	7	44,051,626	8	38,828,482	8
Current income tax liabilities		10,157,409	2	8,446,021	2
Provisions for liabilities – current	6(17) and 9	33,458,183	6	32,241,217	7
Lease liabilities – current	6(30)	481,744	-	550,270	-
Current portion of long-term borrowings	6(15)	95,612	-	33,392	-
Refund liabilities – current	6(18)	36,156,193	7	36,066,937	8
Other current liabilities	7	5,888,716	1	4,283,474	1
Total current liabilities		231,867,316	42	197,552,357	41
Non-current liabilities					
Long-term borrowings	6(15)(30)	366,030	-	161,582	-
Deferred income tax liabilities	6(28)	23,072,889	4	19,620,843	4
Lease liabilities – non-current	6(30)	1,292,564	-	984,628	-
Other non-current liabilities	6(16)(23)	2,727,318	1	2,780,408	1
Total non-current liabilities		27,458,801	5	23,547,461	5
Total liabilities		259,326,117	47	221,099,818	46
Equity attributable to shareholders of the parent					
Share capital – common shares	6(19)	7,427,603	1	7,427,603	2
Capital surplus	6(20)	16,783,484	3	12,380,727	3
Retained earnings	6(21)				
Legal reserve		47,046,433	9	45,445,605	9
Special reserve		693,928	-	693,928	-
Unappropriated retained earnings		134,888,504	24	117,271,397	24
Other equity interest	6(3)(5)(22)	62,699,692	11	56,596,319	12
Total equity attributable to shareholders of the parent		269,539,644	48	239,815,579	50
Non-controlling interest		27,657,874	5	19,166,403	4
Total equity		297,197,518	53	258,981,982	54
TOTAL LIABILITIES AND EQUITY		$ 556,523,635	100	$ 480,081,800	100

The accompanying notes are an integral part of these consolidated financial statements.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT EARNINGS PER SHARE IN NEW TAIWAN DOLLARS)

ITEMS	NOTES	YEAR ENDED DECEMBER 31 2024 AMOUNT	2024 %	2023 AMOUNT	2023 %
Operating revenue	6(23) and 7	$ 587,087,097	100	$ 482,314,429	100
Operating costs	6(9)(11)(12)(13)(16)(26)(27) and 7	(483,616,600)	(82)	(409,920,293)	(85)
Gross profit		103,470,497	18	72,394,136	15
Unrealized (profit) loss from sales		3,600	-	10,604	-
Gross profit		103,474,097	18	72,404,740	15
Operating expenses	6(11)(12)(13)(16)(26)(27), 7 and 9				
Selling expenses		(35,417,819)	(6)	(29,186,656)	(6)
General and administrative expenses		(11,359,250)	(2)	(9,813,245)	(2)
Research and development expenses		(22,036,373)	(4)	(21,638,938)	(4)
Expected credit impairment gains (losses)	12(2)	(5,065,283)	(1)	(601,869)	-
Total operating expenses		(73,878,725)	(13)	(61,240,708)	(12)
Operating profit		29,595,372	5	11,164,032	3
Non-operating income and expenses					
Interest income	6(4)	3,460,979	1	2,855,322	-
Other income	6(3)(24)	3,203,377	-	3,133,775	1
Other gains (losses)	6(2)(4)(5)(11)(12)(25)	4,208,958	1	4,533,638	1
Finance costs	6(12)	(739,472)	-	(693,006)	-
Share of profit (loss) of associates and joint ventures accounted for under equity method	6(10)	2,461,163	-	1,099,862	-
Total non-operating income and expenses		12,595,005	2	10,929,591	2
Profit before income tax		42,190,377	7	22,093,623	5
Income tax expenses	6(28)	(7,951,474)	(1)	(4,203,772)	(1)
Profit for the year		$ 34,238,903	6	$ 17,889,851	4
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gains (losses) on remeasurements of defined benefit plans	6(16)(22)	$ 38,439	-	$ 7,954	-
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(22)	(45,160)	-	19,644,047	4
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(10)	142,228	-	2,228,957	1
Income tax relating to items that will not be reclassified	6(22)(28)	(139,578)	-	(47,203)	-
Items that will be reclassified to profit or loss					
Financial statements translation differences of foreign operations	6(22)	5,923,626	1	385,796	-
Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income		(87,657)	-	26,153	-
Gains (losses) on hedging instrument	6(5)(22)	1,548,960	-	1,204,301	-
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	6(10)(22)	1,015,576	-	(95,685)	-
Income tax relating to items that will be reclassified	6(22)(28)	(1,188,786)	-	(87,197)	-
Other comprehensive income (loss) for the year		$ 7,207,648	1	$ 23,267,123	5
Total comprehensive income for the year		$ 41,446,551	7	$ 41,156,974	9
Profit attributable to:					
Shareholders of the parent		$ 31,393,856	5	$ 15,928,283	3
Non-controlling interest		2,845,047	1	1,961,568	1
		$ 34,238,903	6	$ 17,889,851	4
Total comprehensive income attributable to:					
Shareholders of the parent		$ 37,948,233	6	$ 37,940,261	8
Non-controlling interest		3,498,318	1	3,216,713	1
		$ 41,446,551	7	$ 41,156,974	9
Earnings per share:					
Basic earnings per share	6(29)	$ 42.27		$ 21.44	
Diluted earnings per share	6(29)	$ 42.03		$ 21.36	

The accompanying notes are an integral part of these consolidated financial statements.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Equity attributable to owners of the parent											
			Retained Earnings			Other Equity Interest						
	Common shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Remeasurements of defined benefit plan	Total	Non-controlling interest	Total equity
Year ended December 31, 2024												
Balance at January 1, 2024	$ 7,427,603	$ 12,380,727	$ 45,445,605	$ 693,928	$ 117,271,397	($ 121,556)	$ 57,492,527	($ 709,249)	($ 65,403)	$ 239,815,579	$ 19,166,403	$ 258,981,982
Appropriations of 2023 earnings (Note 6(21))												
Legal reserve	-	-	1,600,828	-	(1,600,828)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(12,626,925)	-	-	-	-	(12,626,925)	-	(12,626,925)
Profit for the year	-	-	-	-	31,393,856	-	-	-	-	31,393,856	2,845,047	34,238,903
Other comprehensive income (loss) for the year	-	-	-	-	-	5,277,438	(218,139)	1,465,015	30,063	6,554,377	653,271	7,207,648
Change in associates and joint ventures accounted for under equity method	-	586,780	-	-	-	-	-	-	-	586,780	-	586,780
Recognition of changes in ownership interest in subsidiaries	-	3,844,767	-	-	-	-	-	-	-	3,844,767	-	3,844,767
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(3,500)	-	-	-	-	-	-	-	(3,500)	-	(3,500)
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	4,993,153	4,993,153
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	451,004	-	(451,004)	-	-	-	-	-
Group reorganization	-	(25,290)	-	-	-	-	-	-	-	(25,290)	-	(25,290)
Balance at December 31, 2024	$ 7,427,603	$ 16,783,484	$ 47,046,433	$ 693,928	$ 134,888,504	$ 5,155,882	$ 56,823,384	$ 755,766	($ 35,340)	$ 269,539,644	$ 27,657,874	$ 297,197,518
Year ended December 31, 2023												
Balance at January 1, 2023	$ 7,427,603	$ 11,744,485	$ 43,977,035	$ 693,928	$ 113,873,089	($ 362,365)	$ 37,011,767	($ 1,913,550)	($ 71,512)	$ 212,380,480	$ 14,508,351	$ 226,888,831
Appropriations of 2022 earnings (Note 6(21))												
Legal reserve	-	-	1,468,570	-	(1,468,570)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(11,141,404)	-	-	-	-	(11,141,404)	-	(11,141,404)
Profit for the year	-	-	-	-	15,928,283	-	-	-	-	15,928,283	1,961,568	17,889,851
Other comprehensive income (loss) for the year	-	-	-	-	-	240,809	20,560,759	1,204,301	6,109	22,011,978	1,255,145	23,267,123
Change in associates and joint ventures accounted for under equity method	-	506,083	-	-	-	-	-	-	-	506,083	-	506,083
Recognition of changes in ownership interest in subsidiaries	-	130,098	-	-	-	-	-	-	-	130,098	-	130,098
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	61	-	-	-	-	-	-	-	61	-	61
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	1,441,339	1,441,339
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	79,999	-	(79,999)	-	-	-	-	-
Balance at December 31, 2023	$ 7,427,603	$ 12,380,727	$ 45,445,605	$ 693,928	$ 117,271,397	($ 121,556)	$ 57,492,527	($ 709,249)	($ 65,403)	$ 239,815,579	$ 19,166,403	$ 258,981,982

The accompanying notes are an integral part of these consolidated financial statements.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2024 AND 2023

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	YEAR ENDED DECEMBER 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	$ 42,190,377	$ 22,093,623
Income and expense that result in non-cash flows		
Depreciation (including investment property and right-of-use assets)	2,276,329	2,250,239
Amortization	617,624	521,144
Expected credit impairment (gains) losses	5,065,283	601,869
Expected credit impairment (gains) losses – debt instruments	(1,404)	(28,187)
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(3,914,492)	(662,122)
Share of profit of associates and joint ventures accounted for under equity method	(2,461,163)	(1,099,862)
Interest income	(3,460,979)	(2,855,322)
Dividend income	(2,976,210)	(2,920,235)
(Gains) losses on disposal of property, plant and equipment	(30,232)	(13,613)
Gains on transfer interest of lease-back transaction	-	(188,983)
(Gains) losses on disposal of investments	(6,199)	26,909
(Reversal of) impairment loss	27,205	7,347
Interest expense	739,472	693,006
Others	(12,378)	197,288
Changes in assets and liabilities relating to operating activities		
Financial assets at fair value through profit or loss	3,009,426	7,238,813
Notes receivable	(2,904,864)	3,035,806
Trade receivables	(22,628,986)	949,934
Other receivables	209,860	86,001
Inventories	(29,829,338)	20,055,502
Prepayments	(222,134)	(2,618,649)
Other current assets	(137,929)	19,902
Financial liabilities at fair value through profit or loss	(1,915,857)	(4,088,467)
Contract liabilities	28,100	(147,965)
Notes and trade payables	17,029,730	5,481,542
Other payables - accrued expenses	4,978,414	143,779
Provisions for liabilities	1,216,966	(351,748)
Refund liabilities	89,256	5,983,062
Other current liabilities	1,328,165	(811,391)
Other operating liabilities	(46,334)	9,117
Receipt of interest	3,402,492	2,779,188
Payment of interest	(679,364)	(724,503)
Receipt (Payment) of income tax	(2,950,462)	(3,575,916)
Net cash flows provided by (used in) operating activities	8,030,374	52,087,108
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(2,615,145)	(761,212)
Proceeds from disposal of financial assets at fair value through other comprehensive income	131,138	110,059
Acquisition of financial assets at amortized cost	(2,099,989)	(1,058,763)
Proceeds from disposal of financial assets at amortized cost	1,695,450	769,960
Acquisition of investments accounted for under equity method	(116,572)	(19,211)
Acquisition of property, plant and equipment	(2,067,864)	(1,688,347)
Proceeds from disposal of property, plant and equipment	67,987	374,852
Acquisition of investment property	(179,153)	(148,990)
Acquisition of intangible assets	(494,574)	(343,900)
Changes in other non-current assets	(1,519,307)	(308,811)
Dividends received	3,976,253	4,521,675
Net cash flows from acquisition of subsidiaries (net of cash acquired)	-	754,136
Others	31,396	4,960
Net cash flows provided by (used in) investing activities	(3,190,380)	2,206,408
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	8,802,223	(32,649,112)
Increase in long-term borrowings	300,000	50,000
Proceeds from long-term borrowings	(33,332)	(10,313)
Payment of cash dividends	(12,626,925)	(11,141,404)
Redemption of lease liabilities	(738,094)	(668,683)
Change in non-controlling interest	8,927,537	(1,314,004)
Others	174,307	493,116
Net cash flows provided by (used in) financing activities	4,805,716	(45,240,400)
Effects due to changes in exchange rate	5,165,677	850,789
Net increase (decrease) in cash and cash equivalents	14,811,387	9,903,905
Cash and cash equivalents at beginning of year	79,226,605	69,322,700
Cash and cash equivalents at end of year	$ 94,037,992	$ 79,226,605

The accompanying notes are an integral part of these consolidated financial statements.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. **HISTORY AND ORGANIZATION**

(1) ASUSTEK COMPUTER INC. (ASUS or the Company) was established in the Republic of China (R.O.C.). The Company is primarily engaged in the design, R&D and sales of 3C products (including PCs, main boards, other boards and cards, smart phones and other handheld devices, etc.).

(2) The Company resolved to spin-off its OEM businesses on January 1, 2008. Pursuant to the Company's resolution, the Company transferred its computer OEM, design and manufacture of computer cases and molds and non-computer OEM businesses to its spun-off subsidiaries, PEGATRON CORPORATION (PEGA) and UNIHAN CORPORATION, respectively. On June 1, 2010, however, the Company transferred further its OEM assets and business (the Company's investments accounted for under equity method in PEGA) to the Company's another investee, PEGATRON INTERNATIONAL INVESTMENT CO. LTD. (PII). PII issued new shares to the Company and its shareholders as consideration. On April 29, 2013, the Company disposed the partial shares of PEGA and reduced the ownership percentage to less than 20%.

2. **THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION**

These consolidated financial statements were authorized for issuance by the Board of Directors and issued on March 11, 2025.

3. **APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS**

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®")Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, "Lease liability in a sale and lease back"	January 1, 2024
Amendments to IAS 1, "Classification of liabilities as current or non-current"	January 1, 2024
Amendments to IAS 1, "Non-current liabilities with covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7, "Supplier finance arrangements"	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:.

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by International Accounting Standards Board but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing naturedependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
IFRS18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

A. Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

The IASB issued the amendments to:

(a) Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met.

The conditions for the exception are that the entity making the payment does not have:

i. the practical ability to withdraw, stop or cancel the payment instruction;

ii. the practical ability to access the cash used for settlement; and

iii. significant settlement risk.

(b) Update the disclosures for equity instruments designated at fair value through other comprehensive income. The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

B. IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following significant items, these consolidated financial statements have been prepared under the historical cost convention:

(A) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(B) Financial assets at fair value through other comprehensive income.

(C) Defined benefit liabilities recognized at the net amount of pension fund assets less present value of defined benefit obligation.

B. The critical accounting estimates and assumptions used in preparation of financial statements and the critical judgements in applying the Group's accounting policies are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements

(A) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(B) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(C) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests.

(D) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(E) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary

should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Investor	Subsidiary	Main business activities	December 31, 2024	December 31, 2023	Remark
ASUS	ASUS COMPUTER INTERNATIONAL (ACI)	Selling of 3C products in North America	100.00	100.00	
ASUS	ASUS TECHNOLOGY INCORPORATION (ASUTC)	Selling of 3C products in Taiwan	100.00	100.00	
ASUS	ASUS HOLLAND B. V. (ACH)	Repairing of 3C products	100.00	100.00	
ASUS	ASUS INTERNATIONAL LIMITED (AIL)	Investing of 3C and computer peripheral business	100.00	100.00	
ASUS	ASUS GLOBAL PTE. LTD. (ASGL)	Selling of 3C products	100.00	100.00	
ASUS	ASUS CLOUD CORPORATION (ASUSCLOUD)	Selling and consulting of internet service	96.53	96.53	
ASUS	ASUS TECHNOLOGY LICENSING (ATL)	Researching, developing and authorizing of communication technology	100.00	100.00	
ASUS	ASUS METAVERSE INC. (AMV)	Selling of metaverse service	100.00	100.00	
ASUS	ASUS LIFE CORPORATION (ASUSLC)	Selling of internet information service	90.00	90.00	
ASUS	ASKEY COMPUTER CORP. (ASKEY)	Designing, manufacturing, repairing and selling of communication products and computer peripheral spare parts	100.00	100.00	
ASUS	HUA-CHENG VENTURE CAPITAL CORP. (HCVC)	Investing of computer peripheral business	100.00	100.00	
ASUS	HUA-MIN INVESTMENT CO., LTD. (HMI)	Investing of computer peripheral business	100.00	100.00	
ASUS	QUANTUM CLOUD INTERNATIONAL PTE. LTD. (QCI)	Servicing of information technology	100.00	100.00	
ASUS	JINSHUO CULTURAL DIFFUSION CO., LTD. (JSCD)	Participating and promoting of professional eSports	100.00	100.00	
ASUS	UNIMAX ELECTRONICS INCORPORATION (UEI)	Manufacturing and selling of automotive electronics and computer peripherals	100.00	100.00	
ASUS	TAIWAN WEB SERVICE CORPORATION (TWS)	Servicing of AI computing	80.60	80.60	
ASUS	DATASUS COMPUTER INC. (DATASUS)	Investing of industrial server peripheral products business	100.00	100.00	
ASUS	ASUS TECH USA (ATUS)	Researching and developing of 3C products	100.00	100.00	
ASUS and HCVC	MEDUS TECHNOLOGY INC. (MEDUS)	Servicing of information system technology	100.00	51.00	

Investor	Subsidiary	Main business activities	Ownership (%) December 31, 2024	Ownership (%) December 31, 2023	Remark
ASUS and HCVC	SHINEWAVE INTERNATIONAL INC. (SWI)	Researching, developing, selling and consulting of information system software	51.00	51.00	
ASUS and HCVC	INTERNATIONAL UNITED TECHNOLOGY CO., LTD. (TAIWAN) (IUT)	Researching, developing, manufacturing and selling of ink-jet print heads and ink-jet digital image output technology	69.25	69.25	
ASUS and HCVC	PT. ASUS TECHNOLOGY INDONESIA BATAM (ACBT)	Selling of 3C products in Indonesia	100.00	100.00	
ASUS and HCVC	PT. ASUS TECHNOLOGY INDONESIA JAKARTA (ACJK)	Selling of 3C products in Indonesia	100.00	100.00	
ASUS and HCVC	SHINYOPTICS CORP. (SHINYOPTICS)	Researching, developing, manufacturing and selling of virtual image optical engines and vehicle head-up displays	83.30	83.30	
ASUS and ASTP	ASUS TECHNOLOGY PRIVATE LIMITED (ACIN)	Supporting and repairing of 3C products in India	100.00	100.00	
ASUS and ASTP	ASUS INDIA PRIVATE LIMITED (ASIN)	Selling of 3C products in India	100.00	100.00	
ASUS, HCVC and HMI	ASMEDIA TECHNOLOGY INC. (ASMEDIA)	Designing, researching, developing and manufacturing of high-speed analog circuit	42.58	45.91	
ASUS, HCVC and HMI	AAEON TECHNOLOGY INC. (AAEON)	Manufacturing and selling of industrial computers and computer peripherals	37.46	37.70	
ASUS, HMI and AAEON	ONYX HEALTHCARE INC. (ONYX)	Designing, manufacturing and selling of medical computers	54.53	54.64	Note 1
ASUS, HCVC and ASUSCLOUD	ASUS MAAS CORPORATION (ASUSMAAS)	Researching, developing and selling of smart parking system and charging piles	100.00	100.00	
HMI GROUP	JOGEEK TECHNOLOGY LIMITED (JOGEEK)	Selling and repairing of information software and electronic information materials	100.00	100.00	
SWI GROUP	EMES (SUZHOU) CO., LTD. (EMES)	Selling and consulting of information system software	100.00	100.00	
ASKEY GROUP	ASKEY INTERNATIONAL CORP. (ASKEYI)	Selling and servicing of communication products	100.00	100.00	
ASKEY GROUP	DYNALINK INTERNATIONAL CORP. (DIC)	Investing of communication business	100.00	100.00	
ASKEY GROUP	MAGIC INTERNATIONAL CO., LTD. (MIC)	Investing of communication business	100.00	100.00	
ASKEY GROUP	MAGICOM INTERNATIONAL CORP. (MAGICOM)	Investing of communication business	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%) December 31, 2024	Ownership (%) December 31, 2023	Remark
ASKEY GROUP	YANG XU ELECTRONIC TECHNOLOGY (SHANGHAI) LTD. (ASKEYSH)	Researching, developing and selling of communication products	100.00	100.00	
ASKEY GROUP	ASKEY TECHNOLOGY (JIANGSU) LTD. (ASKEYJS)	Manufacturing and selling of communication products	100.00	100.00	
ASKEY GROUP	WISE ACCESS (HK) LIMITED (WISE)	Investing of communication business	100.00	100.00	
ASKEY GROUP	ASKEY COMMUNICATION SAS (ASKEYFR)	Selling and servicing of communication products	100.00	100.00	Note 2
ASKEY GROUP	ASKEY COMMUNICATION GMBH (ASKEYCG)	Selling and servicing of communication products	100.00	100.00	
ASKEY GROUP	ASKEY DO BRASIL TECNOLOGIA LTDA. (ASKEYBR)	Selling and servicing of communication products	100.00	100.00	
ASKEY GROUP	ASKEY CORPORATION (THAILAND) CO., LTD. (ASKEYTH)	Selling and servicing of communication products	100.00	100.00	
ASKEY GROUP	ASKEY JAPAN CO., LTD. (ASKEYJP)	Selling and servicing of communication products	100.00	100.00	
ASKEY GROUP	ASKEY DIGITAL TECHNOLOGY CORP. (ASKEYDT)	Selling and servicing of communication products	100.00	100.00	
ASKEY GROUP	WONDALINK INC. (WONDA)	Manufacturing and designing of wired and wireless communication, electronic parts products, etc.	100.00	100.00	
ASKEY GROUP	ASKEYUK CO. LIMITED (ASKEYUK)	Selling and servicing of communication products	100.00	100.00	
ASKEY GROUP	DYNALINK NETWORK SOLUTIONS S. A. DE C. V. (DNS)	Selling and servicing of communication products	100.00	-	
ASKEY GROUP	ASKEY TECHNOLOGY (VIET NAM) COMPANY LIMITED (ASKEYVNBN)	Manufacturing and selling of communication products	100.00	100.00	
AAEON GROUP	AAEON ELECTRONICS, INC. (AAEONEI)	Selling of industrial computers and computer peripherals	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY CO., LTD. (AAEONTCL)	Investing of industrial computers and interface cards business	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY (EUROPE) B. V. (AAEONEU)	Selling of industrial computers and computer peripherals	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY GMBH (AAEONG)	Selling of industrial computers and computer peripherals	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%) December 31, 2024	Ownership (%) December 31, 2023	Remark
AAEON GROUP	AAEON INVESTMENT CO., LTD. (AAEONI)	Investing of industrial computers and computer peripherals business	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY SINGAPORE PTE. LTD. (AAEONSG)	Selling of industrial computers and computer peripherals	100.00	100.00	
AAEON GROUP	AAEON TECHNOLOGY (SUZHOU) INC. (AAEONSZ)	Manufacturing and selling of industrial computers and interface cards	100.00	100.00	
AAEON GROUP	JETWAY INFORMATION CO., LTD.(JETWAY)	Manufacturing and selling of industrial motherboard and computer peripherals	35.29	35.27	
ONYX GROUP	ONYX HEALTHCARE USA, INC. (ONYXHU)	Selling of medical computers and peripherals	100.00	100.00	
ONYX GROUP	ONYX HEALTHCARE EUROPE B. V. (ONYXHE)	Marketing support and repairing of medical computers and peripherals	100.00	100.00	
ONYX GROUP	ONYX HEALTHCARE (SHANGHAI) LTD. (ONYXSH)	Selling of medical computers and peripherals	100.00	100.00	
ONYX GROUP	IHELPER INC. (IHELPER)	Researching, developing and selling of medical robots	46.00	46.00	
JETWAY GROUP	JET WAY COMPUTER CORP. (JETWAYUS)	Selling and repairing of computer peripheral equipment	100.00	100.00	
JETWAY GROUP	JET WAY COMPUTER B.V. (JETWAYNL)	Selling and repairing of computer peripheral equipment	100.00	100.00	
JETWAY GROUP	JET WAY (FAR EAST) INFORMATION COMPANY LIMITED (JETWAYFE)	Investing of computer peripheral business	100.00	100.00	
JETWAY GROUP	TOP NOVEL ENTERPRISE CORP. (TOPNOVEL)	Investing of computer peripheral business	100.00	100.00	
JETWAY GROUP	SCORETIME INVESTMENT LIMITED (SCORETIME)	Investing of computer peripheral business	100.00	100.00	
JETWAY GROUP	CANDID INTERNATIONAL CORP. (CANDID)	Investing of computer peripheral business	100.00	100.00	
JETWAY GROUP	FUJIAN CANDID INTERNATIONAL CO., LTD (FUJIAN)	Manufacturing and selling of computer and peripheral equipment	100.00	100.00	
ASUSCLOUD GROUP	ASUS CLOUD SINGAPORE PTE. LTD. (ASUSCLOUDSG)	Investing of internet service business	100.00	100.00	
ASUSCLOUD GROUP	ASUS CLOUD (LUXEMBOURG) S. A R. L. (ASUSCLOUDLB)	Maintaining and operating service of information hardware	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%) December 31, 2024	Ownership (%) December 31, 2023	Remark
JSCD GROUP	JINRUO CULTURAL DIFFUSION CO., LTD. (JRCD)	Participating and promoting of professional eSports	100.00	100.00	
DATASUS GROUP	DATASUS COMPUTER AMERICA (DATASUSUS)	Manufacturing and selling of industrial server peripheral products	100.00	100.00	
AIL GROUP	CHANNEL PILOT LIMITED (CHANNEL)	Investing of 3C business	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY PTE. LIMITED (ASTP)	Investing of 3C business	100.00	100.00	
AIL GROUP	ASUS MIDDLE EAST FZCO (ACAE)	Supporting and repairing of 3C products in Middle East	100.00	100.00	
AIL GROUP	ASUS EGYPT L. L. C. (ACEG)	Supporting of 3C products in Egypt	100.00	100.00	
AIL GROUP	ASUS COMPUTER GMBH (ACG)	Selling and supporting of 3C products in Germany	100.00	100.00	
AIL GROUP	ASUS FRANCE SARL (ACF)	Supporting of 3C products in France	100.00	100.00	
AIL GROUP	ASUSTEK (UK) LIMITED (ACUK)	Supporting of 3C products in United Kingdom	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY (HONG KONG) LIMITED (ACHK)	Supporting and repairing of 3C products in Hong Kong	100.00	100.00	
AIL GROUP	ASUS KOREA CO., LTD. (ACKR)	Supporting and repairing of 3C products in South Korea	100.00	100.00	
AIL GROUP	ASUS POLSKA SP. Z O. O. (ACPL)	Supporting of 3C products in Poland	100.00	100.00	
AIL GROUP	ASUS EUROPE B.V. (ACNL)	Selling of 3C products	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY (VIETNAM) CO., LTD. (ACVN)	Supporting and repairing of 3C products in Vietnam	100.00	100.00	
AIL GROUP	ASUSTEK ITALY S. R. L. (ACIT)	Supporting of 3C products in Italy	100.00	100.00	
AIL GROUP	ASUS SPAIN, S. L. U. (ACIB)	Supporting of 3C products in Spain	100.00	100.00	
AIL GROUP	ASUS TECHNOLOGY (SUZHOU) CO., LTD. (ACSZ)	Researching and developing of 3C products	100.00	100.00	
AIL GROUP	ASUS JAPAN INCORPORATION (ACJP)	Selling of 3C products in Japan	100.00	100.00	
AIL GROUP	ASUS COMPUTER CZECH REPUBLIC S. R. O. (ACCZ)	Supporting of 3C products in Czech Republic	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTER (SHANGHAI) CO., LTD. (ACSH)	Selling of 3C products in China	100.00	100.00	
AIL GROUP	ASUS SERVICE AUSTRALIA PTY LIMITED (ASAU)	Repairing of 3C products in Australia	100.00	100.00	

Investor	Subsidiary	Main business activities	Ownership (%) December 31, 2024	Ownership (%) December 31, 2023	Remark
AIL GROUP	ASUS AUSTRALIA PTY LIMITED (ACAU)	Supporting of 3C products in Australia	100.00	100.00	
AIL GROUP	ACBZ IMPORTACAO E COMERCIO LTDA. (ACBZ)	Selling of 3C products in Brazil	100.00	100.00	
AIL GROUP	ASUS ISRAEL (TECHNOLOGY) LTD. (ACIL)	Supporting of 3C products in Israel	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTER (CHONGQING) CO., LTD. (ACCQ)	Selling of 3C products in China	100.00	100.00	
AIL GROUP	ASUS PERU S. A. C. (ACPE)	Supporting of 3C products in Peru	100.00	100.00	
AIL GROUP	PT. ASUS SERVICE INDONESIA (ASID)	Repairing of 3C products in Asia-pacific and America	100.00	100.00	
AIL GROUP	ASUS HOLDING MEXICO, S. A. DE C. V. (ACMH)	Selling of 3C products in Mexico	100.00	100.00	
AIL GROUP	ASUS PORTUGAL, SOCIEDADE UNIPESSOAL LDA. (ACPT)	Supporting of 3C products in Portugal	100.00	100.00	
AIL GROUP	ASUS HUNGARY SERVICES LIMITED LIABILITY COMPANY (ACHU)	Supporting of 3C products in Hungary	100.00	100.00	
AIL GROUP	ASUS SWITZERLAND GMBH (ACCH)	Supporting of 3C products in Switzerland	100.00	100.00	
AIL GROUP	ASUS NORDIC AB (ACN)	Supporting of 3C products in North Europe	100.00	100.00	
AIL GROUP	ASUS COMPUTER COLOMBIA S. A. S. (ACCO)	Supporting of 3C products in Colombia	100.00	100.00	
AIL GROUP	ASUS (THAILAND) CO., LTD. (ACTH)	Supporting of 3C products in Thailand	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTERS (PTY) LIMITED (ACZA)	Supporting and repairing of 3C products in Africa	100.00	100.00	
AIL GROUP	ASUSTEK COMPUTER MALAYSIA SDN. BHD. (ACMY)	Supporting and repairing of 3C products in Malaysia	100.00	100.00	
AIL GROUP	ASUS BILGISAYAR SISTEMLERI TICARET LIMITED SIRKETI (ACTR)	Supporting and repairing of 3C products in Turkey	100.00	100.00	
AIL GROUP	ASUS CHILE SPA (ACCL)	Supporting of 3C products in Chile	100.00	100.00	
AIL GROUP	ASUS SERVICE (THAILAND) CO., LTD. (ASTH)	Repairing of 3C products in Thailand	100.00	100.00	
AIL GROUP	ASUS PHILIPPINES CORPORATION (ASPH)	Supporting and repairing of 3C products in Philippines	100.00	100.00	
AIL GROUP	QC SERVER AB (QCS)	Servicing of information technology	-	100.00	

Investor	Subsidiary	Main business activities	Ownership (%) December 31, 2024	Ownership (%) December 31, 2023	Remark
AIL GROUP	ASUS COMPUTER (SHANGHAI) CO., LTD. (ACS)	Repairing of 3C products	100.00	100.00	
AIL GROUP	ASUS INVESTMENTS (SUZHOU) CO., LTD. (ACISZ)	Leasing of real estate	100.00	100.00	
AIL GROUP	ASUS CZECH SERVICE S. R. O. (ACCZS)	Repairing of 3C products in Europe	100.00	100.00	
AIL GROUP	ASUS PROPERTIES (VIETNAM) LTD. (APVN)	Leasing and trading of real estate	100.00	100.00	
AIL GROUP	LIABILITY LIMITED COMPANY A25 (A25)	Selling of 3C products in Russia	100.00	100.00	
AIL GROUP	ASUS UKRAINE LIMITED LIABILITY COMPANY (ACUKR)	Supporting of 3C products in Ukraine	100.00	100.00	

Note 1: Percentage of ownership represents controlling shareholding ratio but not the comprehensive shareholding ratio.

Note 2: Named SILIGENCE SAS before it was renamed in July 2023.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different end of the financial reporting period: None.

E. Significant restrictions on its ability to transfer the assets and liabilities to other entities within the Group: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:
Non-controlling interests in each subsidiary are immaterial to the Group.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in "New Taiwan Dollars (NTD)", which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(A) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise, except when deferred in other comprehensive income as qualifying cash flow hedges.

(B) Monetary assets and liabilities denominated in foreign currencies are re-translated at the exchange rates prevailing at the end of the financial reporting period. Exchange differences arising upon re-translation are recognized in profit or loss.

(C) Non-monetary assets and liabilities denominated in foreign currencies at fair value through profit or loss are re-translated at the exchange rates prevailing at the end of the financial reporting period. The translation differences are recognized in profit or loss as part of the fair value gains or losses. Non-monetary assets and liabilities at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the end of the financial reporting period. The translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(D) All foreign exchange gains and losses are presented in the statement of comprehensive income within "other gains (losses)".

B. Translation of foreign operations

(A) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a. Assets and liabilities for each balance sheets presented are translated at the closing exchange rate at the end of the financial reporting period;

b. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

c. All resulting exchange differences are recognized in other comprehensive income.

(B) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gains or losses on sale. In addition, if the Group still retains partial interests in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

(C) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interests in this foreign operation. In addition, if the Group still retains partial interests in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in these foreign operations.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

(A) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(B) Assets held mainly for trading purposes;

(C) Assets that are expected to be realized within 12 months from the end of the financial reporting period;

(D) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than 12 months after the end of the financial reporting period.

Otherwise they are classified as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

(A) Liabilities that are expected to be paid off within the normal operating cycle;

(B) Liabilities arising mainly from trading activities;

(C) Liabilities that are to be paid off within 12 months from the end of the financial reporting period;

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

Otherwise they are classified as non-current liabilities.

(6) Cash equivalents

Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits can be classified as cash equivalents if they meet the criteria mentioned above and are held for short-term cash commitments in operational purpose.

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gains or losses in profit or loss.

D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

A. At initial recognition, the Group makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading. The debt instruments are measured at fair value through other comprehensive income if both of the following conditions are met:

(A) The objective of the Group's business model is achieved by both collecting contractual cash flows and selling financial assets; and

(B) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

(A) The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(B) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognized in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets measured at amortized costs

A. Financial assets at amortized cost are those that meet all of the following criteria:

(A) The objective of the Group's business model is achieved by collecting contractual cash flows.

(B) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. Gains or losses are recognized in profit or loss when the asset is derecognized or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For financial assets at amortized cost and accounts receivable that have a significant financing component, at each end of the financial reporting period, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

A. The contractual rights to receive cash flows from the financial asset has expired.

B. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has transferred substantially almost all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows from the financial asset have been transferred and the Group has not retained control of financial asset.

(13) Leasing arrangements (lessor) – operating leases

Lease income from an operating lease net of any incentives given to the lessee is recognized in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials and other direct/indirect costs. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and estimated costs necessary to make the sale.

(15) Investments accounted for under equity method

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20% or more of the voting power of the investee. Investments in associates are

accounted for using the equity method and are initially recognized at cost.

B. The Group's share of its associates' post-acquisition profit or loss is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in "capital surplus" in proportion to its ownership.

D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares or buys treasury stocks (including the Group does not acquire or dispose shares proportionately), which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then "capital surplus" and "investments accounted for under equity method" shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

G. Upon loss of significant influence over an associate, the amounts previously recognized in other comprehensive income and as capital surplus in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it still retains significant influence over this associate, then the amounts previously recognized in other comprehensive income and as capital surplus in relation to the associate are reclassified to profit or loss proportionately.

(16) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Except for land which is not depreciated, other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it should be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at the end of the financial reporting period. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of buildings are 5~60 years, machinery and equipment are 1~10 years and miscellaneous equipment are 1~20 years.

(17) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low value assets, lease payments are recognized in expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payment, less any lease incentives receivable. The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
(A) The amount of the initial measurement of lease liability;
(B) Any lease payments made at or before the commencement date; and
(C) Any initial direct costs incurred by the lessee.
The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference between remeasured lease liability in profit or loss.

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20~50 years.

(19) Intangible assets

A Goodwill and trademark arise in a business combination accounted for by applying the acquisition method.

B. Other intangible assets, mainly computer software, are amortized on a straight-line basis over their estimated useful lives of 1~10 years.

(20) Impairment of non-financial assets

A. The Group assesses at the end of the financial reporting period the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or decrease, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss. However, the reversal should not exceed the carrying amount, net of depreciation or amortization had the impairment not been recognized.

B. The recoverable amounts of goodwill and intangible assets with an indefinite useful life shall be evaluated periodically. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

(21) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds net of transaction costs and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(22) Notes and trade payables

A. Trade payables are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and trade payables without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(23) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gains or losses recognized in profit or loss.

(24) Derecognition of financial liabilities

The Group derecognizes a financial liability when the obligation specified in the contract is either discharged or cancelled or expires.

(25) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and reported in the net amount in the balance sheets when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(26) Non-hedging derivatives

Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.

(27) Hedge accounting

A. At the inception of the hedging relationship, there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. That documentation shall include identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements.

B. The Group designates the hedging relationship as cash flow hedge which is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

C. Cash flow hedges

(A) The cash flow hedge reserve associated with the hedged item is adjusted to the lower of the following (in absolute amounts):

a. The cumulative gains or losses on the hedging instrument from inception of the hedge; and

b. The cumulative change in fair value of the hedged item from inception of the hedge.

(B) The effective portion of the gains or losses on the hedging instrument is recognized in other comprehensive income. The gains or losses on the hedging instrument relating to the ineffective portion is recognized in profit or loss.

(C) The amount that has been accumulated in the cash flow hedge reserve in accordance with (A) is accounted for as follows:

a. If a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Group shall remove that amount from the cash flow hedge reserve and include it directly in the initial cost or other carrying amount of the asset or liability.

b. For cash flow hedges other than those covered by a. above, that amount shall be reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

c. If that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in one or more future periods, it shall immediately reclassify the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.

(D) When the hedging instrument expires, or is sold, terminated, exercised or when the hedging relationship ceases to meet the qualifying criteria, if the forecast transaction is still expected to occur, the amount that has been accumulated in the cash flow hedge reserve shall remain in the cash flow hedge reserve until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment.

(28) Provisions for liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the financial reporting period**,** which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized in interest expense. Future operating losses shall not be recognized as provisions for liabilities.

(29) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized in expenses in that period when the employees render service.

B. Pensions

(A) Defined contribution plans

For defined contribution plans, the contributions are recognized in pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(B) Defined benefit plans

a. The liability recognized in the balance sheets in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the financial reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash follow using interest rates of government bonds or interest rates of return of high-quality investments that have terms to maturity approximating to the terms of the related pension liability.

b. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as other equity.

c. Prior service costs are recognized immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group’s decision to terminate an employee’s employment before the normal retirement date, or an employee’s decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognizes expense when it

can no longer withdraw an offer of termination benefits or it recognizes related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after financial reporting date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized in expenses and as liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(30) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods of related expenses incurred if the nature of government grant is to subsidize expenses the Group accrued.

(31) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized in compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at the end of the financial reporting period. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

(A) The issued subsidiary uses the date notifying employees the number of shares of employees' stock bonus as the grant date.

(B) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognized in compensation cost over the vesting period.

(C) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognizes the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.

(D) For restricted stocks where employees have to pay to acquire those stocks, if employees resign during the vesting period, they must return the stocks to the issued subsidiaries and the issued subsidiaries must refund their payments on the stocks, the issued subsidiary recognizes the payments from the employees who are expected to resign during the vesting period as liabilities at the grant date, and recognizes the payments from the employees who are expected to be eventually vested with the stocks in “capital surplus - others”.

(32) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the financial reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.

C. Deferred income tax is recognized, using the balance sheets liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the financial reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At the end of the financial reporting period, unrecognized and recognized deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheets when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheets when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(33) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(34) Revenue recognition

Sales of goods

A. The Group is engaged in the selling of 3C products. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Revenue from the sale of 3C products is recognized based on the price specified in the contract, net of the estimated volume discounts and sales discounts. Historical experience is usually used to estimate the discounts and returns. A refund liability is recognized at expected sales discounts payable to customers in relation to sales made until the end of the reporting period. The sales are made mainly with a credit term of due after the date of delivery or month-end 30 to 180 days. As the time interval between the transfer of committed goods or services and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

C. The Group's obligation to provide a repair for faulty products under the standard warranty terms is recognized as a provision.

D. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(35) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. If the total of the fair values of the consideration of acquisition and any non-controlling interests in the acquiree as well as the acquisition-date fair value of any previous equity interest in the acquiree is higher than the fair value of the Group's share of the identifiable net assets acquired and liabilities assumed, the difference is recorded as goodwill, if the total of the fair values of the consideration of acquisition and any non-controlling interests in the acquiree as well as the acquisition-date fair value of any previous equity interest in the acquiree is higher than the fair value of the Group's share of the identifiable net assets acquired and liabilities assumed, the difference is recorded as profit.

(36) Operating segments

Operating segments are reported in a manner consistent with the internal management reports provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments.

5. **CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY**

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions at the end of the financial reporting period and estimates concerning future events. The resulting accounting estimates and assumptions might be different from the actual results, and will be continually evaluated and adjusted based on historical experience and other factors; and the related information is addressed below:

Critical accounting estimates and assumptions:

A. Refund liabilities recognition

The Group estimates sales related refund liabilities for sales returns and discounts based on historical results and other known factors. Provisions for such liabilities are recorded as a deduction item to sales revenues when the sales are recognized. The Group reassesses the reasonableness of estimates of discounts and returns periodically.

As of December 31, 2024, the Group recognized $36,156,193 as refund liabilities related to sales returns and discounts.

B. Evaluation of inventories

Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value at the end of the financial reporting period, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be a difference against actual result.

As of December 31, 2024, the carrying amount of inventories was $152,619,677.

6. **DETAILS OF SIGNIFICANT ACCOUNTS**

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and petty cash	$ 16,062	$ 14,165
Checking accounts and demand deposits	37,555,574	31,748,973
Time deposits	56,411,741	47,421,423
Others	54,615	42,044
	$ 94,037,992	$ 79,226,605

The Group has no cash and cash equivalents pledged to others.

(2) Financial assets and liabilities at fair value through profit or loss

	December 31, 2024	December 31, 2023
Financial assets mandatorily measured at fair value through profit or loss - current:		
Equity instruments	$ 556,439	$ 364,690
Beneficiary certificates	923,067	980,583
Derivatives	1,022,336	1,307
Hybrid instruments	118,000	121,000
	$ 2,619,842	$ 1,467,580

	December 31, 2024	December 31, 2023
Financial assets mandatorily measured at fair value through profit or loss - non-current:		
Equity instruments	$ 120,334	$ 57,081
Beneficiary certificates	244,589	16,365
Hybrid instruments	357,436	8,634
	$ 722,359	$ 82,080
Financial liabilities held for trading -current:		
Derivatives	$ 28,576	$ 1,053,507

A. The hybrid instruments held by the Group were convertible bonds and stocks with embedded options.

B. Amounts recognized in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	Years Ended	
	December 31, 2024	December 31, 2023
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Equity instruments	$ 212,191	$ 135,833
Beneficiary certificates	14,625	10,076
Derivatives	3,691,192	504,166
Hybrid instruments	(3,516)	12,047
	$ 3,914,492	$ 662,122

C. The Group entered into contracts relating to derivative financial assets and liabilities which were not accounted for under hedge accounting. The information is listed below:

	December 31, 2024			December 31, 2023		
	Contract amount (in thousands)		Maturity period	Contract amount (in thousands)		Maturity period
Derivative financial assets:						
Forward exchange contracts						
-CAD/USD	CAD	88,479	2025/06	CAD	4,862	2024/01
-NTD/USD	USD	370,000	2025/02	USD	-	-
-EUR/USD	EUR	292,000	2025/03	EUR	-	-
-GBP/USD	GBP	50,000	2025/03	GBP	-	-
-AUD/USD	AUD	17,500	2025/02	AUD	-	-
-PLN/USD	PLN	20,000	2025/01	PLN	-	-
-JPY/USD	JPY	5,005,061	2025/02	JPY	1,410,700	2024/01
-MXN/USD	MXN	619,740	2025/03	MXN	30,000	2024/01
-IDR/USD	IDR	1,724,528,000	2025/01	IDR	355,327,000	2024/01
-INR/USD	INR	13,596,131	2025/02	INR	-	-
-CNH/USD	CNH	710,000	2025/01	CNH	-	-
Currency option contracts						
-JPY/USD	JPY	-	-	JPY	1,086,800	2024/02
-CNH/USD	CNH	4,166,495	2025/04	CNH	-	-
-EUR/USD	EUR	186,000	2025/03	EUR	-	-
Currency swap contracts						
-NTD/USD	USD	68,800	2025/04	USD	-	-
Derivative financial liabilities:						
Forward exchange contracts						
-NTD/USD	USD	-	-	USD	520,000	2024/02
-EUR/USD	EUR	10,000	2025/03	EUR	365,700	2024/03
-GBP/USD	GBP	-	-	GBP	62,500	2024/04
-CNH/USD	CNH	-	-	CNH	209,830	2024/01
-IDR/USD	IDR	-	-	IDR	1,875,322,000	2024/01
-INR/USD	INR	-	-	INR	15,435,768	2024/01
-PLN/USD	PLN	-	-	PLN	14,000	2024/01
-CHF/USD	CHF	-	-	CHF	7,700	2024/03
-AUD/USD	AUD	-	-	AUD	54,000	2024/04
-THB/USD	THB	-	-	THB	150,000	2024/01
-MXN/USD	MXN	29,000	2025/02	MXN	328,900	2024/01
-JPY/USD	JPY	-	-	JPY	237,898	2024/02
-CAD/USD	CAD	8,344	2025/06	CAD	66,601	2024/05
-NTD/USD	NTD	2,929,650	2025/01	NTD	-	-
-USD/NTD	USD	1,020	2025/01	USD	-	-
Currency option contracts						
-CNH/USD	CNH	-	-	CNH	2,696,630	2024/03
-EUR/USD	EUR	-	-	EUR	31,000	2024/02
Currency swap contracts						
-NTD/USD	USD	-	-	USD	20,000	2024/04

(A) Forward exchange contracts

The Group entered into forward exchange contracts to sell various forward foreign currencies to hedge exchange rate risk of import and export proceeds. However, these forward exchange contracts are not accounted for under hedge accounting.

(B) Currency option contracts

The Group entered into currency option contracts to buy foreign currency put options and sell foreign currency call options or put options, which will be performed in the future according to the agreed price and conditions, leverage ratio and settlement date. The purpose of the Group's undertaking of the above transactions is to hedge exchange rate risk of import and export proceeds. However, these currency option contracts are not accounted for under hedge accounting. The Group has implemented risk control over currency options, and no significant operational risks have been assessed.

(C) Currency swap contracts

The Group entered into currency swap contracts to hedge cash flow risk of the floating-rate liability positions. However, these currency swap contracts are not accounted for under hedge accounting.

D. The Group has no financial assets at fair value through profit or loss pledged to others.

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

	December 31, 2024	December 31, 2023
Current:		
Equity instruments		
Listed and OTC stocks	$ 184,244	$ 232,925
Valuation adjustment	496,775	829,900
	$ 681,019	$ 1,062,825
Non-current:		
Debt instruments		
Corporate bonds	$ 3,233,572	$ 679,485
Valuation adjustment	(62,611)	25,988
	3,170,961	705,473
Equity instruments		
Listed and OTC stocks	27,138,110	27,097,183
Unlisted and non-OTC stocks	876,308	726,662
	28,014,418	27,823,845
Valuation adjustment	55,926,617	55,740,938
	83,941,035	83,564,783
	$ 87,111,996	$ 84,270,256

A. The Group has elected to classify equity investments that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $84,622,054 and $84,627,608 on December 31, 2024 and 2023, respectively.

B. The Group sold its investments with fair value of $130,903 and $127,976 during the years ended December 31, 2024 and 2023, respectively, and the gain on disposal amounting to $101,114 and $60,955 was transferred from accumulated other comprehensive income to retained earnings, respectively. Also, the Group recognized $400,364 and $15,393 on disposals of investments in associates, which was transferred from other comprehensive income to retained earnings for the years ended December 31, 2024 and 2023, respectively.

C. Amounts recognized in profit or loss in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years Ended	
	December 31, 2024	December 31, 2023
Equity instruments at fair value through other comprehensive income		
Dividends from investments recognized in profit or loss held at end of the year	$ 2,962,468	$ 2,904,506
Dividends from investments recognized in profit or loss derecognized during the year	$ -	$ 453
Debt instruments at fair value through other comprehensive income		
Reclassified from other comprehensive income to profit or loss due to impairment recognition	($ 912)	($ 168)
Interest income from investments recognized in profit or loss held at end of the year	$ 142,538	$ 3,390

D. As of December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was $3,170,961 and $705,473, respectively.

E. Information about credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

F. The Group has no financial assets at fair value through other comprehensive income pledged to others.

(4) Financial assets at amortized cost

Items	December 31, 2024	December 31, 2023
Current items:		
Corporate bonds	$ 4,541,190	$ 58,636
Less: Accumulated impairment	(5,905)	(80)
	4,535,285	58,556
Time deposits with original maturity period of more than three months	496,509	483,796
	$ 5,031,794	$ 542,352
Non-current items:		
Corporate bonds	$ 5,807,128	$ 9,466,004
Less: Accumulated impairment	(24,573)	(36,571)
	5,782,555	9,429,433
Time deposits with original maturity period of more than three months	164,540	-
	$ 5,947,095	$ 9,429,433

A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	Years Ended	
	December 31, 2024	December 31, 2023
Interest income	$ 290,283	$ 241,696
Expected credit impairment reversed gains (losses)	2,316	28,355
Gains (losses) on disposal of investments	(23,782)	(27,027)
	$ 268,817	$ 243,024

B. The Group has no financial assets at amortized cost pledged to others.

C. As of December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group were $10,978,889 and $9,971,785, respectively.

D. Information about credit risk of financial assets at amortized cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Hedging financial assets and liabilities

	December 31, 2024	December 31, 2023
Financial assets - current		
Cash flow hedges - Forward exchange contracts	$ 853,038	$ -
Financial liabilities - current		
Cash flow hedges - Forward exchange contracts	(13,327)	(709,249)
	$ 839,711	($ 709,249)

A. Hedge accounting is applied to reduce the effect of accounting inconsistency between the hedging instrument and the hedged item. The Group entered into forward exchange contracts to manage its foreign currency exposure in respect of forecasted sales transactions. When forecasted sales transactions occur, the carrying amount of the non-financial hedged items should be adjusted accordingly.

B. Transaction information associated with the Group adopting hedge accounting is as follows:

	December 31, 2024			December 31, 2023		
Hedging instruments	Contract amount (in thousands)		Maturity period	Contract amount (in thousands)		Maturity period
Cash flow hedges:						
Hedging financial assets						
Forward exchange contracts						
-EUR/USD	EUR	440,000	2025/06	EUR	-	-
-PLN/USD	PLN	145,000	2025/03	PLN	-	-
-JPY/USD	JPY	5,450,000	2025/06	JPY	-	-
-GBP/USD	GBP	68,000	2025/06	GBP	-	-
-SEK/USD	SEK	50,000	2025/06	SEK	-	-
-AUD/USD	AUD	45,500	2025/03	AUD	-	-
Hedging financial liabilities						
Forward exchange contracts						
-AUD/USD	AUD	-	-	AUD	45,500	2024/03
-EUR/USD	EUR	25,000	2025/06	EUR	496,000	2024/06
-GBP/USD	GBP	6,000	2025/06	GBP	85,000	2024/06
-SEK/USD	SEK	-	-	SEK	89,000	2024/06
-PLN/USD	PLN	14,000	2025/03	PLN	172,000	2024/03
-JPY/USD	JPY	800,000	2025/03	JPY	4,630,000	2024/06
-IDR/USD	IDR	500,000,000	2025/03	IDR	-	-

The average exchange rate of hedging instruments used by the Group is based on the consideration of future exchange rate fluctuation of the hedged items.

C. Cash flow hedges

	2024	2023
Other equity - hedge effectiveness		
January 1	($ 709,249)	($ 1,913,550)
Gains (losses) on hedge instrument	1,548,960	1,204,301
December 31	$ 839,711	($ 709,249)
Other gains (losses) - hedge ineffectiveness	$ 5	($ 241,519)

D. As the hedging instrument expires, the hedging relationship ceases to meet the qualifying criteria. If the forecast transaction is still expected to occur, the amount that has been accumulated in the gains (losses) on hedging instruments shall remain in other comprehensive income until the forecast transaction occurs; if the forecast transaction is no longer expected to occur, the amount shall be immediately reclassified from the gains (losses) on hedging instruments to other gains (losses) hedge ineffectiveness.

(6) Notes and trade receivables

	December 31, 2024	December 31, 2023
Notes receivable	$ 8,105,778	$ 5,201,002
Trade receivables	107,749,436	85,159,646
	115,855,214	90,360,648
Less: Loss allowance	(8,777,044)	(3,543,339)
	$ 107,078,170	$ 86,817,309

A. The aging analysis of notes and trade receivables is as follows:

	December 31, 2024	December 31, 2023
Not past due	$ 90,981,810	$ 69,536,614
Less than 90 days past due	21,118,319	17,908,554
Between 91 and 180 days past due	1,430,023	742,801
More than 181 days past due	2,325,062	2,172,679
	$ 115,855,214	$ 90,360,648

B. As of December 31, 2024, December 31, 2023, and January 1, 2023, the balances of notes and trade receivables from contracts with customers amounted to $115,855,214, $90,360,648 and $94,347,089, respectively.

C. The Group does not hold financial assets as security for trade receivables.

D. As of December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes receivable were $7,894,697 and $5,114,475, respectively. The maximum exposure to credit risk in respect of the amount that best represents the Group's trade receivables

were $99,183,473 and $81,702,834, respectively.

E. Information about credit risk of notes and trade receivables is provided in Note 12(2).

(7) Transfer of financial assets

Transferred financial assets that are derecognised entirety

The Group entered into a factoring agreement with Banco Santander, S.A. Bank to sell its accounts receivable. Under the agreement, the Group is not obligated to bear the uncollectible risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Group does not have any continuing involvement in the transferred accounts receivable. Thus, the Group derecognised the transferred accounts receivable, and the related information is as follows:

	December 31, 2024				
Purchaser of accounts receivable	Amount of accounts receivable transferred	Amount derecognised	Facilities	Amount advanced	Interest rate interval of amount advanced
Banco Santander	$ 266,986	$ 266,986	$ 2,131,025	$ 266,986	9.15%~9.98%

(8) Offsetting financial assets and financial liabilities

A. The Group has assets (fair value of $41,315,524 and $25,780,478 as of December 31, 2024 and 2023, respectively) from and liabilities (fair value of $52,280,497 and $30,741,618 as of December 31, 2024 and 2023, respectively) to certain companies that meet the offsetting criteria in paragraph 42 of IAS 32, recognized as trade receivables and notes and trade payables at net amounts after the offsetting.

B. The recognition information of the Group due to net delivery agreement is expressed as follows:

	Trade receivables, notes and trade payables with offsetting right					
	Gross amount of financial assets (before offsetting)	Gross amount of financial liabilities (before offsetting)	Offsetting amount	Net amount of financial assets (after offsetting)	Net amount of financial liabilities (after offsetting)	Not set off in the balance sheet: collateral (received) /provided
December 31, 2024	$ 41,315,524	($ 52,280,497)	($ 40,686,560)	$ 628,964	($ 11,593,937)	$ -
December 31, 2023	25,780,478	(30,741,618)	(24,597,401)	1,183,077	(6,144,217)	-

(9) Inventories

	December 31, 2024	December 31, 2023
Raw materials	$ 63,280,497	$ 49,783,902
Work in process	3,208,931	3,925,561
Finished goods	14,582,304	4,095,805
Merchandise inventories	70,629,507	63,454,063
Inventories in transit	918,438	1,531,008
	$ 152,619,677	$ 122,790,339

Except for cost of goods sold, the Group recognized in expenses and losses of inventories in the amounts of ($6,988,772) and ($11,478,222), of which ($7,259,564) and ($11,673,038) pertain to the decline (recovery) in value of inventories for the years ended December 31, 2024 and 2023, respectively. The gain on reversal during the period mentioned above were due to inventories which were subsequently sold.

(10) Investments accounted for under equity method

	December 31, 2024	December 31, 2023
Associates		
WT	$ 17,329,163	$ 13,657,281
Others	12,500,560	11,226,904
	$ 29,829,723	$ 24,884,185

A. The Group's associates are all immaterial, and the summary on financial information of share attributable to the Group is as follows:

	Years Ended	
	December 31, 2024	December 31, 2023
Profit (loss) for the year	$ 2,461,163	$ 1,099,862
Other comprehensive income (loss) for the year (net of income tax)	1,157,804	2,133,272
Total comprehensive income (loss) for the year (net of income tax)	$ 3,618,967	$ 3,233,134

B. The fair value of the Group's associates which have quoted market price is as follows:

	December 31, 2024	December 31, 2023
Associates		
WT	$ 20,759,246	$ 19,237,500
Others	11,665,520	13,868,474
	$ 32,424,766	$ 33,105,974

C. The Group is the single largest shareholder of IBASE, ASUSTOR, EMC, UPI, LELTEK and WT with a 26.70%, 38.04%, 12.50%, 22.10%, 22.78% and 16.90% equity interest, respectively. Given the degree of other shareholders involvement in prior stockholders' meeting and record of voting rights for major proposals, which indicates that the Group has no substantial ability to direct the relevant activities, the Group has no control, but only has significant influence, over the companies.

D. The Group's subsidiary, ASMEDIA, participated in the 2023 cash capital increase of the associate, WT. ASMEDIA, and subscribed 17,720 thousand shares based on the subscription price at $95 (in dollars) per share according to the subscription ratio of the original shareholders, for a total investment amounting to $1,683,440. As the effective date for the capital increase was set on January 9, 2024, the payment was recognized as prepayments for investments which was shown as other non-current assets.

(11) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Miscellaneous equipment	Construction in progress and equipment under installation	Total
January 1, 2024						
Cost	$ 7,778,804	$12,472,349	$ 6,412,432	$ 5,530,722	$ 1,402,853	$33,597,160
Accumulated depreciation and impairment	-	(4,414,793)	(4,766,202)	(4,333,774)	-	(13,514,769)
	$ 7,778,804	$ 8,057,556	$ 1,646,230	$ 1,196,948	$ 1,402,853	$20,082,391
January 1, 2024	$ 7,778,804	$ 8,057,556	$ 1,646,230	$ 1,196,948	$ 1,402,853	$20,082,391
Acquisitions	44,996	585,711	807,647	612,540	252,819	2,303,713
Disposals	-	(3)	(29,969)	(6,958)	-	(36,930)
Depreciation	-	(365,084)	(809,549)	(369,121)	-	(1,543,754)
Impairment	-	-	(822)	(3,086)	-	(3,908)
Reclassifications	(98,104)	1,078,156	317,701	(66,926)	(1,372,497)	(141,670)
Net exchange differences	36,094	92,992	11,582	13,524	24,005	178,197
December 31, 2024	$ 7,761,790	$ 9,449,328	$ 1,942,820	$ 1,376,921	$ 307,180	$20,838,039
December 31, 2024						
Cost	$ 7,761,790	$14,307,112	$ 8,355,080	$ 4,453,443	$ 307,180	$35,184,605
Accumulated depreciation and impairment	-	(4,857,784)	(6,412,260)	(3,076,522)	-	(14,346,566)
	$ 7,761,790	$ 9,449,328	$ 1,942,820	$ 1,376,921	$ 307,180	$20,838,039

	Land	Buildings	Machinery and equipment	Miscellaneous equipment	Construction in progress and equipment under installation	Total
January 1, 2023						
Cost	$7,663,492	$12,016,659	$ 6,302,290	$ 5,263,389	$ 918,852	$32,164,682
Accumulated depreciation and impairment	-	(3,978,354)	(4,622,605)	(4,068,309)	-	(12,669,268)
	$7,663,492	$ 8,038,305	$ 1,679,685	$ 1,195,080	$ 918,852	$19,495,414
January 1, 2023	$7,663,492	$ 8,038,305	$ 1,679,685	$ 1,195,080	$ 918,852	$19,495,414
Acquisitions	37,523	24,809	595,093	376,491	697,595	1,731,511
Disposals	(57,804)	(61,657)	(19,498)	(24,627)	-	(163,586)
Depreciation	-	(350,225)	(632,491)	(470,492)	-	(1,453,208)
Impairment	-	-	-	(7,347)	-	(7,347)
Reclassifications	(51,767)	19,127	27,197	125,922	(196,319)	(75,840)
Effects due to changes in consolidated entities	186,298	438,154	8,592	13,288	-	646,332
Net exchange differences	1,062	(50,957)	(12,348)	(11,367)	(17,275)	(90,885)
December 31, 2023	$7,778,804	$ 8,057,556	$ 1,646,230	$ 1,196,948	$ 1,402,853	$20,082,391
December 31, 2023						
Cost	$7,778,804	$12,472,349	$ 6,412,432	$ 5,530,722	$ 1,402,853	$33,597,160
Accumulated depreciation and impairment	-	(4,414,793)	(4,766,202)	(4,333,774)	-	(13,514,769)
	$7,778,804	$ 8,057,556	$ 1,646,230	$ 1,196,948	$ 1,402,853	$20,082,391

A. After evaluating and comparing the carrying amount of property, plant and equipment and its recoverable amounts, the Group recognized impairment loss amounting to $3,908 and $7,347 for the years ended December 31, 2024 and 2023, respectively.

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(12) Leasing arrangements - lessee

A. The Group leases various assets including buildings, transportation equipment, miscellaneous equipment, land use right, and so on. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Right-of-use-assets

	Buildings	Machinery and equipment	Transportation equipment	Miscellaneous equipment	Land use right	Total
January 1, 2024	$ 1,249,577	$ 205,152	$ 28,499	$ 1,423	$ 306,319	$ 1,790,970
Acquisitions	1,086,743	-	24,126	-	134,329	1,245,198
Disposals	(102,195)	-	-	(302)	-	(102,497)
Depreciation	(575,534)	(255)	(19,952)	(483)	(11,950)	(608,174)
Impairment	(19,038)	-	-	-	-	(19,038)
Reclassifications	593	(204,450)	-	(170)	-	(204,027)
Net exchange differences	26,060	-	137	(5)	14,849	41,041
December 31, 2024	$ 1,666,206	$ 447	$ 32,810	$ 463	$ 443,547	$ 2,143,473

	Buildings	Machinery and equipment	Transportation equipment	Miscellaneous equipment	Land use right	Total
January 1, 2023	$1,015,777	$ 295,316	$ 19,280	$ 2,038	$ 282,311	$1,614,722
Acquisitions	798,325	767	26,062	-	-	825,154
Disposals	(35,349)	-	-	-	-	(35,349)
Depreciation	(560,202)	(90,931)	(17,295)	(599)	(13,151)	(682,178)
Reclassifications	3,281	-	-	2	-	3,283
Effects due to changes in consolidated entities	24,854	-	-	-	42,674	67,528
Net exchange differences	2,891	-	452	(18)	(5,515)	(2,190)
December 31, 2023	$1,249,577	$ 205,152	$ 28,499	$ 1,423	$ 306,319	$1,790,970

C. The information on income and expense accounts relating to lease contracts is as follows:

	Years Ended	
	December 31, 2024	December 31, 2023
Items affecting profit or loss		
Interest expense on lease liabilities	$ 64,490	$ 46,622
Expense on short-term lease contracts	269,923	200,817
Expense on leases of low-value assets	6,485	4,858
Gains on lease modification	(9,047)	(2,574)
Gains on transfer interest of lease-back transaction	-	(188,983)

D. For the years ended December 31, 2024 and 2023, the Group's total cash outflow for leases were $1,078,992 and $920,980, respectively.

(13) Intangible assets

	Trademark	Computer software	Goodwill	Others	Total
January 1, 2024					
Cost	$ 355,301	$ 2,514,004	$ 1,377,322	$ 1,198,339	$ 5,444,966
Accumulated amortization and impairment	-	(2,078,782)	(31,598)	(647,784)	(2,758,164)
	$ 355,301	$ 435,222	$ 1,345,724	$ 550,555	$ 2,686,802
January 1, 2024	$ 355,301	$ 435,222	$ 1,345,724	$ 550,555	$ 2,686,802
Acquisitions	-	625,548	-	67,156	692,704
Amortization	-	(365,675)	-	(103,956)	(469,631)
Reclassifications	-	(25,708)	-	4,147	(21,561)
Net exchange differences	-	235	-	2,459	2,694
December 31, 2024	$ 355,301	$ 669,622	$ 1,345,724	$ 520,361	$ 2,891,008
December 31, 2024					
Cost	$ 355,301	$ 2,529,422	$ 1,377,322	$ 1,275,635	$ 5,537,680
Accumulated amortization and impairment	-	(1,859,800)	(31,598)	(755,274)	(2,646,672)
	$ 355,301	$ 669,622	$ 1,345,724	$ 520,361	$ 2,891,008

	Trademark	Computer software	Goodwill	Others	Total
January 1, 2023					
Cost	$ 355,103	$ 2,695,208	$ 1,172,932	$ 888,183	$ 5,111,426
Accumulated amortization and impairment	-	(2,335,085)	(31,598)	(682,244)	(3,048,927)
	$ 355,103	$ 360,123	$ 1,141,334	$ 205,939	$ 2,062,499
January 1, 2023	$ 355,103	$ 360,123	$ 1,141,334	$ 205,939	$ 2,062,499
Acquisitions	198	412,491	-	1,342	414,031
Disposals	-	(128)	-	-	(128)
Amortization	-	(342,995)	-	(67,022)	(410,017)
Reclassifications	-	5,218	-	(124,301)	(119,083)
Effects due to changes in consolidated entities	-	721	204,390	536,165	741,276
Net exchange differences	-	(208)	-	(1,568)	(1,776)
December 31, 2023	$ 355,301	$ 435,222	$ 1,345,724	$ 550,555	$ 2,686,802
December 31, 2023					
Cost	$ 355,301	$ 2,514,004	$ 1,377,322	$ 1,198,339	$ 5,444,966
Accumulated amortization and impairment	-	(2,078,782)	(31,598)	(647,784)	(2,758,164)
	$ 355,301	$ 435,222	$ 1,345,724	$ 550,555	$ 2,686,802

A. The impairment assessment of goodwill relies on the managements' subjective judgement, including identifying cash-generating units and determining the recoverable amounts of related cash-generating units. The recoverable amount is based on the value-in-use, the industry standard and the fair value (the fair value is reference to stock price in active market) of cash generating units less disposal costs.

B. The value-in-use calculations use cash flow projections based on financial budgets approved by the management covering a five-year period, and industry standard calculations are determined by reference to the business market value in consideration of the similar industries with the similar products, capital and operating revenues, etc. Management determined budgeted gross margin and growth rate based on past performance and the expectations of market development. The market valuation used is consistent with the similar industries. The discount rates used reflect specific risks relating to the relevant operating segments and the time value of currency in real market.

C. The Group has no intangible assets pledged to others.

(14) Short-term borrowings

Type of borrowings	December 31, 2024	Interest rate range	Collateral
Bank borrowings			
Guaranteed borrowings	$ 50,000	2.05%	Bank deposits
Credit borrowings	25,030,887	1.75%~6.51%	-
Other short-term borrowings	120,000	3.60%	Machinery and Miscellaneous equipment
	$ 25,200,887		

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Guaranteed borrowings	$ 37,000	0.50%~2.00%	Bank deposits
Credit borrowings	15,977,121	1.47%~6.13%	-
Other short-term borrowings	225,200	3.60%	Machinery and Miscellaneous equipment
	$ 16,239,321		

Information about the assets pledged as collateral for the Group's short-term borrowings is disclosed in Note 8.

(15) Long-term borrowings

Type of borrowing	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2024
Long-term bank borrowings				
Guaranteed borrowings	Borrowing period is from May 28, 2021 to May 28, 2036; interest is repayable monthly	1.98%	Land and buildings	$ 134,559
Credit borrowings	Borrowing period is from January 5, 2023 to January 5,2026; interest is repayable monthly	2.37%~2.49%	-	27,083
Credit borrowings	Borrowing period is from November 28, 2024 to November 28, 2027; the principal is payable in 12 quarterly installments, with each installment amounting to $15,000 for the 1st to 11th installments and the remaining balance shall be paid in full on the 12th installment; interest is repayable monthly	2.50%	-	300,000
				$ 461,642
Less: Current portion				(95,612)
				$ 366,030

Type of borrowing	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2023
Long-term bank borrowings				
Guaranteed borrowings	Borrowing period is from May 28, 2021 to May 28, 2036; interest is repayable monthly	1.85%	Land and buildings	$ 144,974
Credit borrowings	Borrowing period is from January 5, 2023 to January 5, 2026; interest is repayable monthly	2.25%~2.37%	-	50,000
				$ 194,974
Less: Current portion				(33,392)
				$ 161,582

Information about the assets pledged as collateral for the Group's long-term borrowings is disclosed in Note 8.

(16) Pensions

A. Defined benefit pension plans

(A) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution for the deficit by next March.

(B) The amounts recognized in the balance sheets are as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	($ 384,544)	($ 392,936)
Fair value of plan assets	277,582	257,164
Net defined benefit liability	($ 106,962)	($ 135,772)

(C) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
January 1, 2024	($ 392,936)	$ 257,164	($ 135,772)
Current service cost	(16,116)	-	(16,116)
Interest (expense) income	(8,457)	3,265	(5,192)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	23,434	23,434
Change in demographic assumptions	5,126	-	5,126
Change in financial assumptions	(1,693)	-	(1,693)
Experience adjustments	11,572	-	11,572
Pension fund contribution	-	5,473	5,473
Pension payment	16,096	(11,756)	4,340
Exchange difference	1,864	-	1,864
December 31, 2024	($ 384,544)	$ 277,580	($ 106,964)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
January 1, 2023	($ 375,652)	$ 232,098	($ 143,554)
Current service cost	(15,303)	-	(15,303)
Interest (expense) income	(9,262)	3,942	(5,320)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,447	1,447
Change in demographic assumptions	(5,744)	-	(5,744)
Change in financial assumptions	(935)	-	(935)
Experience adjustments	13,186	-	13,186
Pension fund contribution	-	19,012	19,012
Pension payment	30,776	(27,923)	2,853
Effect due to consolidated entities	(30,616)	28,590	(2,026)
Exchange difference	614	(2)	612
December 31, 2023	($ 392,936)	$ 257,164	($ 135,772)

(D) The Bank of Taiwan was commissioned to manage the Fund of the Company's and its domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and its domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and its domestic subsidiaries are unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(E) The principal actuarial assumptions used are as follows:

	Years Ended	
	December 31, 2024	December 31, 2023
Discount rate	1.50%~7.10%	1.25%~7.24%
Future salary increases rate	2.00%~10.00%	2.00%~10.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases rate	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
December 31, 2024				
Effect on present value of defined benefit obligation	($ 18,536)	$ 17,255	$ 15,263	($ 14,430)

	Discount rate		Future salary increases rate	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 18,837)	$ 20,417	$ 16,878	($ 15,781)

The sensitivity analysis above was determined based on the change of one assumption while the other conditions remain unchanged. In practice, the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheets are the same.

(F) Expected contribution to the defined benefit pension plans of the Group for the year ending December 31, 2025 is $6,388.

(G) As of December 31, 2024, the weighted average duration of that retirement plan is 8.6~30.0 years.

B. Defined contribution pension plans

(A) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (New Plan) under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(B) The Company's mainland subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China are based on a certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(C) The pension costs under the defined contribution pension plans of the Group were $1,506,769 and $1,417,971 for the years ended December 31, 2024 and 2023, respectively.

(17) Provisions for liabilities

	Provisions for warranty	Provisions for legal claims and royalty	Total
January 1, 2024	$ 25,604,955	$ 6,636,262	$ 32,241,217
Recognition (reversal)	6,565,286	681,557	7,246,843
Use	(7,832,279)	-	(7,832,279)
Net exchange differences	1,392,469	409,933	1,802,402
December 31, 2024	$ 25,730,431	$ 7,727,752	$ 33,458,183

	Provisions for warranty	Provisions for legal claims and royalty	Total
January 1, 2023	$ 25,936,392	$ 6,648,128	$ 32,584,520
Recognition (reversal)	6,962,596	29,126	6,991,722
Use	(7,243,953)	(21,412)	(7,265,365)
Effects due to changes in consolidated entities	9,281	-	9,281
Net exchange differences	(59,361)	(19,580)	(78,941)
December 31, 2023	$ 25,604,955	$ 6,636,262	$ 32,241,217

Analysis of total provisions:

	December 31, 2024	December 31, 2023
Current	$ 33,458,183	$ 32,241,217

A. Provisions for warranty

The Group provides warranties on 3C products sold. Provision for warranty is estimated based on these products' historical warranty data. A provision is recognized as current when it is expected to be used in one year.

B. Provisions for legal claims and royalty

The Group recognizes provision for legal claims or royalty fees made by the patentees against the Group. After taking appropriate legal advice, the management evaluates the probable claimable fees accrued as provision for liabilities. The provision charge is recognized in profit or loss within operating costs and expenses.

(18) Refund liabilities

	2024	2023
January 1	$ 36,066,937	$ 30,083,875
Recognition (reversal)	64,145,841	70,460,100
Use	(65,833,914)	(64,440,620)
Net exchange differences	1,777,329	(36,418)
December 31	$ 36,156,193	$ 36,066,937

The Group recognizes refund liabilities on 3C products sold. Refund liabilities are estimated based on these products' historical data and other known factors. A provision is recognized as current when it is expected to be used in one year.

(19) Common shares

A. As of December 31, 2024, the Company's authorized capital was $47,500,000, consisting of 4,750,000,000 shares of common stock (including 50,000,000 shares which were reserved for employee stock options), and the paid-in capital was $7,427,603, with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

The number of the Company's ordinary shares outstanding at the beginning and ending for the years ended December 31, 2024 and 2023 are both 742,760,280 shares.

B. As of December 31, 2024, the Company issued Global Depositary Receipts (GDRs), of which 3,907 units of the GDRs are now listed on the Luxembourg Stock Exchange. Per unit of GDR represents 5 shares of the Company's common stock and total GDRs represent 19,537 shares of the Company's common stock. The terms of GDR are as follows:

(A) Voting rights

GDR holders may, pursuant to the Depositary Agreement and the relevant laws and regulations of the R.O.C., exercise the voting rights pertaining to the underlying common shares represented by the GDRs.

(B) Dividends, stock warrants and other rights

GDR holders and common shareholders are all entitled to receive dividends. The Depositary may issue new GDRs in proportion to GDRs holding ratios or raise the number of shares of common stock represented by each unit of GDR or sell stock dividends on behalf of GDR holders and distribute proceeds to them in proportion to their GDRs holding ratios.

(20) Capital surplus

Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	December 31, 2024	December 31, 2023
Share premium	$ 4,202,184	$ 4,227,474
Difference between consideration and carrying amount of subsidiaries acquired or disposed	891,598	895,098
Recognition of changes in ownership interest in subsidiaries	7,997,394	4,152,627
Changes in associates and joint ventures accounted for under equity method	3,692,308	3,105,528
	$ 16,783,484	$ 12,380,727

(21) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's profit after income tax, shall first be offset against prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. When such legal reserve amounts to the total authorized capital, the Company shall not be subject to this requirement. The Company may then appropriate or reverse a certain amount as special reserve according to the demand for the business or relevant regulations. After the distribution of earnings, the remaining earnings and prior years' undistributed earnings may be appropriated according to a resolution of the Board of Directors adopted in the shareholders' meeting.

B. The dividend policies of the Company are as follows: Considering the rapid changing industrial environment the Company faces, long-term financial plan and the satisfaction of the demand for cash by the shareholders, the Company should distribute cash dividends of not less than 10% of the total dividends declared each year.

C. Except for covering accumulated deficit, increasing capital or payment of cash in proportion to ownership percentage, the legal reserve shall not be used for any other purpose. The amount capitalized or the cash payment shall be limited to the portion of legal reserve which exceeds 25% of the paid-in capital.

D. (A) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the end of the financial reporting period before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(B) The amounts previously set aside by the Company as special reserve on initial application of IFRSs, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

E. As resolved by the shareholders on June 9, 2023, the Company distributed cash dividends to owners amounting to $11,141,404 ($15 (in dollars) per share) for the appropriation of 2022 earnings. On June 13, 2024, the shareholders resolved the distribution of cash dividends amounting to $12,626,925 ($17 (in dollars) per share) for the appropriation of 2023 earnings.

F. The appropriation of 2024 earnings had been proposed by the Board of Directors on March 11, 2025. Details are summarized as follows (has not yet been resolved by shareholders):

	Year Ended December 31, 2024	
	Amount	Dividends per share (in dollars)
Cash dividends	$ 25,253,849	$ 34.00

(22) Other equity

	Gains (losses) on hedging instruments	Unrealized gains (losses) on valuation of financial assets at fair value through other comprehensive income	Financial statements translation differences of foreign operations	Remeasurement of defined benefit plans	Total
January 1, 2024	($ 709,249)	$ 57,492,527	($ 121,556)	($ 65,403)	$ 56,596,319
-The Company	-	(1,146,623)	6,503,373	-	5,356,750
-Subsidiaries	1,548,960	865,153	(1,792,347)	29,865	651,631
-Associates	(83,945)	(387,673)	566,412	198	94,992
December 31, 2024	$ 755,766	$ 56,823,384	$ 5,155,882	($ 35,340)	$ 62,699,692

	Gains (losses) on hedging instruments	Unrealized gains (losses) on valuation of financial assets at fair value through other comprehensive income	Financial statements translation differences of foreign operations	Remeasurement of defined benefit plans	Total
January 1, 2023	($ 1,913,550)	$ 37,011,767	($ 362,365)	($ 71,512)	$ 34,664,340
-The Company	-	19,012,059	63,859	-	19,075,918
-Subsidiaries	1,204,301	468,273	242,440	6,845	1,921,859
-Associates	-	1,000,428	(65,490)	(736)	934,202
December 31, 2023	($ 709,249)	$ 57,492,527	($ 121,556)	($ 65,403)	$ 56,596,319

(23) Operating revenue

	Years Ended	
	December 31, 2024	December 31, 2023
Revenue from contracts with customers	$ 587,087,097	$ 482,314,429

A. Disaggregation of revenue from contracts with customers

The Group's revenue is derived from the transfer of goods and services over time and at a point in time in the following major product lines:

Year ended December 31, 2024	3C products	Others	Total
Revenue from contracts with customers	$ 576,436,846	$ 10,650,251	$ 587,087,097
Timing of revenue recognition			
Revenue recognized at a point in time	$ 575,863,571	$ 9,773,162	$ 585,636,733
Revenue recognized over time	573,275	877,089	1,450,364
	$ 576,436,846	$ 10,650,251	$ 587,087,097

Year ended December 31, 2023	3C products	Others	Total
Revenue from contracts with customers	$ 474,982,602	$ 7,331,827	$ 482,314,429
Timing of revenue recognition			
Revenue recognized at a point in time	$ 474,527,936	$ 6,502,606	$ 481,030,542
Revenue recognized over time	454,666	829,221	1,283,887
	$ 474,982,602	$ 7,331,827	$ 482,314,429

B. Contract liabilities

(A) The amounts of recognized contract liabilities related to the contract revenue from sales, warranty and royalty of the Group are $3,698,809, $3,670,709, and $3,776,817 as of December 31, 2024, December 31, 2023, and January 1, 2023, respectively.

(B) The revenue recognized from the beginning balance of contract liabilities amounted to $1,847,306 and $2,032,151 for the years ended December 31, 2024 and 2023, respectively.

(24) Other income

	Years Ended	
	December 31, 2024	December 31, 2023
Rent income	$ 227,167	$ 213,540
Dividend income	2,976,210	2,920,235
	$ 3,203,377	$ 3,133,775

(25) Other (losses) gains

	Years Ended	
	December 31, 2024	December 31, 2023
Net currency exchange gains (losses)	$ 57,573	$ 2,965,170
Net gains (losses) on derivative financial instruments	3,687,676	516,213
Net gains (losses) on non-derivative financial instruments	226,816	145,909
Gains on transfer interest of lease-back transaction	-	188,983
Others	236,893	717,363
	$ 4,208,958	$ 4,533,638

(26) Costs and expenses by nature

	Years Ended					
	December 31, 2024			December 31, 2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expenses	$ 4,125,282	$33,468,894	$37,594,176	$ 4,052,549	$31,057,000	$35,109,549
Depreciation	550,628	1,601,300	2,151,928	673,595	1,461,791	2,135,386
Amortization	25,909	591,715	617,624	20,030	501,114	521,144

(27) Employee benefit expenses

	Years Ended	
	December 31, 2024	December 31, 2023
Wages and salaries	$ 32,869,022	$ 30,693,076
Labor and health insurance	2,158,047	2,036,264
Pension (Note)	1,528,077	1,438,594
Other personnel expenses	1,039,030	941,615
	$ 37,594,176	$ 35,109,549

Note: Includes the pension expense under the defined contribution plan and defined benefit plan.

A. According to the Articles of Incorporation of the Company, the current year's profit shall be used first to cover accumulated deficit, if any, and then the remaining balance shall be distributed as follows: no less than 1% as employees' compensation, and no more than 1% as directors' remuneration.

B. For the years ended December 31, 2024 and 2023, employees' compensation were accrued at $2,201,439 and $1,081,724, respectively; directors' remuneration were accrued at $115,865 and $56,933, respectively. The aforementioned amounts were recognized in salary expense.

According to the Articles of Incorporation of the Company, the current year's profit shall be used first to cover accumulated deficit, if any, and then the remaining balance shall be distributed as follows: no less than 1% as employees' compensation, and no more than 1% as directors' remuneration.

Employees' compensation and directors' remuneration amounting to $1,081,724 and $56,933, respectively, for 2023 as resolved by the Board of Directors during its meeting were in agreement with those amounts recognized in the 2023 financial statements. The employees' compensation and directors' remuneration were distributed in cash. Related information shall be inquired at the Market Observation Post System website.

(28) Income tax

A. Income tax expenses

(A) Components of income tax expense:

	Years Ended	
	December 31, 2024	December 31, 2023
Current income tax:		
Current income tax on profits for the year	$ 4,876,519	$ 1,008,145
Additional tax on unappropriated earnings	94,804	131,138
Difference between prior year's income tax estimation and assessed results	(128,056)	301,227
Total current income tax	4,843,267	1,440,510
Deferred income tax:		
Recognition and reversal of temporary differences	3,108,207	2,763,262
Total deferred income tax	3,108,207	2,763,262
Income tax expense	$ 7,951,474	$ 4,203,772

(B) The income tax relating to components of other comprehensive income is as follows:

	Years Ended	
	December 31, 2024	December 31, 2023
Changes in fair value of financial assets at fair value through other comprehensive income	$ 131,552	$ 46,596
Currency translation differences	1,188,786	87,197
Remeasurements of defined benefit plans	8,026	607
	$ 1,328,364	$ 134,400

B. Reconciliation between income tax expenses and accounting profit:

	Years Ended	
	December 31, 2024	December 31, 2023
Income tax calculated based on profit before tax and statutory tax rate	$ 10,441,628	$ 5,110,344
Tax exempt income by tax regulation	(590,535)	(683,912)
Effect of tax exemption on investment income	(908,937)	(471,769)
Effect of investment tax credit	(779,719)	(652,670)
Temporary differences not recognized as deferred tax assets	13,997	40,402
Difference between prior year's income tax estimation and assessed results	(128,056)	301,227
Additional income tax on unappropriated earnings	94,804	131,138
Change in assessment of realization of deferred tax assets	(349,074)	(26,536)
Effect of tax rate changes on unrealized profit from sales	114,969	(7,223)
Effect of exchange rate changes	629,731	875,141
Taxable loss not recognized as deferred tax assets	194,506	227,141
(Income) expenses adjusted by tax regulation	39,654	18,856
Effect of income tax on earnings repatriation overseas	(1,052,185)	(733,858)
Others	230,691	75,491
Income tax expense	$ 7,951,474	$ 4,203,772

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and loss carryforwards are as follows:

	2024				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Effect of exchange rate changes	December 31
Temporary differences:					
- Deferred income tax assets:					
Decline in value of inventories	$ 4,281,825	($ 1,230,682)	$ -	$ 83,427	$ 3,134,570
Unrealized profit from sales	1,641,005	25,764	-	3,039	1,669,808
Unrealized sales discounts	3,891,281	412,822	-	118,757	4,422,860
Unrealized provisions for warranty	3,180,842	84,526	-	148,225	3,413,593
Other unrealized expenses	1,876,075	358,656	-	27,511	2,262,242
Loss carryforwards	711,915	(592,854)	-	12,178	131,239
Currency translation differences of foreign operation	68,852	-	(39,596)	-	29,256
Provision for expected credit losses	469,217	177,155	-	24,238	670,610
Others	784,713	(173,235)	(7,835)	(16,001)	587,642
Subtotal	16,905,725	(937,848)	(47,431)	401,374	16,321,820
- Deferred income tax liabilities:					
Investment income from foreign investees	(19,243,827)	(1,885,562)	-	-	(21,129,389)
Currency translation differences of foreign operation	(25,987)	-	(1,149,190)	-	(1,175,177)
Unrealized gain on valuation of equity investments	(71,996)	-	(131,552)	-	(203,548)
Others	(279,033)	(284,797)	(191)	(754)	(564,775)
Subtotal	(19,620,843)	(2,170,359)	(1,280,933)	(754)	(23,072,889)
Total	($ 2,715,118)	($ 3,108,207)	($ 1,328,364)	$ 400,620	($ 6,751,069)

	2023					
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Effect due to changes in consolidated entities	Effect of exchange rate changes	December 31
Temporary differences:						
- Deferred income tax assets:						
Decline in value of inventories	$ 6,522,630	($ 2,270,688)	$ -	$ 8,603	$ 21,280	$ 4,281,825
Unrealized profit from sales	1,632,696	(26)	-	8,483	(148)	1,641,005
Unrealized purchase discounts	2,859	(2,859)	-	-	-	-
Unrealized sales discounts	3,886,502	(8,460)	-	-	13,239	3,891,281
Unrealized provisions for warranty	3,188,315	5,893	-	2,997	(16,363)	3,180,842
Other unrealized expenses	1,819,141	39,781	-	-	17,153	1,876,075
Loss carryforwards	286,281	425,983	-	-	(349)	711,915
Currency translation differences of foreign operation	130,194	-	(63,517)	2,175	-	68,852
Others	1,153,547	78,305	1,618	9,087	11,373	1,253,930
Subtotal	18,622,165	(1,732,071)	(61,899)	31,345	46,185	16,905,725
- Deferred income tax liabilities:						
Investment income from foreign investees	(18,159,484)	(1,084,097)	-	(246)	-	(19,243,827)
Currency translation differences of foreign operation	(2,307)	-	(23,680)	-	-	(25,987)
Unrealized gain on valuation of equity investments	(25,400)	-	(46,596)	-	-	(71,996)
Others	(156,905)	52,906	(2,225)	(166,661)	(6,148)	(279,033)
Subtotal	(18,344,096)	(1,031,191)	(72,501)	(166,907)	(6,148)	(19,620,843)
Total	$ 278,069	($ 2,763,262)	($ 134,400)	($ 135,562)	$ 40,037	($ 2,715,118)

D. Expiration dates of unused taxable loss and amounts of unrecognized deferred income tax assets are as follows:

December 31, 2024

Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred income tax assets	Year of expiration
2015	$ 93,180	$ 93,180	$ 93,180	2025
2016	92,455	92,455	92,455	2026
2017	1,058,841	596,893	596,893	2027
2018	1,493,268	1,493,268	1,493,268	2028
2019	666,589	563,102	499,451	2024-2029
2020	1,242,476	1,231,013	1,213,762	2025-2030
2021	2,181,800	2,181,167	2,178,126	2031
2022	468,085	451,980	397,481	2027-2032
2023	1,317,035	1,085,298	994,869	2028-2033
2024	791,100	791,100	633,273	2029-2034

December 31, 2023

Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred income tax assets	Year of expiration
2014	$ 65,208	$ 65,208	$ 65,208	2024
2015	93,180	93,180	93,180	2025
2016	100,635	93,132	93,132	2026
2017	1,058,841	642,730	642,730	2027
2018	1,496,712	1,496,712	1,493,268	2023-2028
2019	757,723	598,895	489,438	2024-2029
2020	1,229,340	1,223,471	1,200,568	2025-2030
2021	2,181,800	2,181,800	2,178,758	2031
2022	900,874	887,187	680,988	2027-2032
2023	4,927,535	4,927,535	1,119,323	2028-2033

E. The amounts of deductible temporary differences that were not recognized as deferred income tax assets are as follows:

	December 31, 2024	December 31, 2023
Deductible temporary differences	$ 565,194	$ 421,937

F. As of December 31, 2024 and 2023, all taxable temporary differences associated with investments in subsidiaries that were not recognized as deferred income tax liabilities are insignificant.

G. The Tax Authority has examined the Company's income tax returns through 2021. In addition, the Company has filed administrative remedies for the Company's 2018 income tax assessment.

H. The Group's risk exposure to the Pillar Two income taxes arising from the Pillar Two legislation is as follows:

(A) The Group falls within the scope of the model rules for the Pillar Two published by the Organization for Economic Cooperation and Development. The Pillar Two Act has been promulgated in some regions where subsidiaries are registered (including Netherlands, Germany and Japan), and will take effect in 2024. For the year ended December 31, 2024, the Group had no associated current income tax risks.

(B) The Pillar Two legislation has been substantively enacted and is expected to take effect in 2025 including in Singapore. Due to the complexity of calculating GloBE, the Group is going to continuously evaluate matters related to the obligation to pay top-up tax on the difference between the effective tax rate under the GloBE rules and the 15% minimum tax rate in each jurisdiction and risk exposure to the Pillar Two Act when it comes into effect.

(29) Earnings per share

	Years Ended	
	December 31, 2024	December 31, 2023
Profit:		
Profit attributable to shareholders of the parent	$ 31,393,856	$ 15,928,283
Number of shares (shares in thousands):		
Weighted average number of shares outstanding - basic	742,760	742,760
Basic earnings per share (in dollars):		
Profit attributable to shareholders of the parent	$ 42.27	$ 21.44

	Years Ended	
	December 31, 2024	December 31, 2023
Profit:		
Profit attributable to shareholders of the parent	$ 31,393,856	$ 15,928,283
Number of shares (shares in thousands):		
Weighted average number of shares outstanding - basic	742,760	742,760
The effect of dilutive potential common shares - employees' compensation	4,094	3,015
Weighted average number of shares outstanding - diluted	746,854	745,775
Diluted earnings per share (in dollars):		
Profit attributable to shareholders of the parent	$ 42.03	$ 21.36

(30) Changes in liabilities arising from financing activities

			Non-cash changes		
	January 1, 2024	Cash flow	Foreign exchange changes	Others (Note)	December 31, 2024
Short-term borrowings	$ 16,239,321	$ 8,802,223	$ 159,343	$ -	$ 25,200,887
Long-term borrowings	194,974	266,668	-	-	461,642
Lease liabilities	1,534,898	(738,094)	21,664	955,840	1,774,308
	$ 17,969,193	$ 8,330,797	$ 181,007	$ 955,840	$ 27,436,837

			Non-cash changes		
	January 1, 2023	Cash flow	Foreign exchange changes	Others (Note)	December 31, 2023
Short-term borrowings	$ 48,897,458	($ 32,649,112)	($ 9,025)	$ -	$ 16,239,321
Long-term borrowings	155,287	39,687	-	-	194,974
Lease liabilities	1,379,139	(668,683)	(1,030)	825,472	1,534,898
	$ 50,431,884	($ 33,278,108)	($ 10,055)	$ 825,472	$ 17,969,193

Note: Others pertain to lease modifications.

(31) Business combinations

A. On April 28, 2023, the Group's subsidiary, AAEON, increased its capital by issuing 10,523,000 common shares in exchange for 26,308,000 common shares held by 11 shareholders of JETWAY. Consequently, AAEON acquired a total of 35.27% of the shares of JETWAY including 0.19% equity interest held by AAEON before the combination, and became the single largest shareholder of the company. Considering the participation of other shareholders and the voting records of major resolutions during JETWAY's past shareholders' meetings, which indicated that the Group has substantial capability to lead related activities and control over the company, JETWAY was included in the Group's consolidated financial statements on April 28, 2023. The

Group expects to expand the operating scale of both parties and improve the overall operating performance through the integration of corporate resources.

B. The following table summarizes the consideration paid for JETWAY and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets at the acquisition date:

	April 28, 2023
Purchase consideration	
Equity instruments	$ 953,416
Fair value of equity interest held by the Group before the business combination	4,949
Non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets	1,383,476
	2,341,841
Fair value of the identifiable assets acquired and liabilities assumed	
Cash	758,967
Inventories	373,626
Property, plant and equipment	646,332
Intangible assets	536,886
Other assets	341,068
Other liabilities	(519,428)
Total identifiable net assets	2,137,451
Goodwill	$ 204,390

C. The fair value of 10,523,000 shares of AAEON's ordinary shares issued as part of the consideration paid for JETWAY amounted to $953,416, which was based on the published share price on April 28, 2023. Furthermore, 0.19% equity interest in JETWAY was held by the Group before the combination, and accordingly, the Group recognized a gain on disposal of investments of $118 as a result of remeasuring at fair value.

D. The operating revenue included in the consolidated statement of comprehensive income since April 28, 2023 contributed by JETWAY was $994,712. JETWAY also contributed profit before income tax of $136,019 over the same period. Had JETWAY been consolidated from January 1, 2023, the consolidated statement of comprehensive income would show operating revenue of $482,700,468 and profit before income tax of $22,130,542.

7. **RELATED PARTY TRANSACTIONS**

(1) Parent and ultimate controlling party

The Company's shares are widely held, so there is no ultimate parent or controlling party.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
ASUSTOR INC. (ASUSTOR)	Associate
IBASE TECHNOLOGY INC. (IBASE)	Associate
LITEMAX ELECTRONICS INC. (LITEMAX)	Associate
MAXTEK TECHNOLOGY CO., LTD. (MAXTEK)	Associate
TECHMOSA INTERNATIONAL INC. (TECHMOSA)	Associate
MORRIHAN INTERNATIONAL CORP. (MORRIHAN)	Associate
NUVISION TECHNOLOGY, INC. (NUVISION)	Associate
HONGTECH ELECTRONICS CO., LTD. (HONGTECH)	Associate
WT MICROELECTRONICS CO., LTD. (WT)	Associate
I-WAYLINK INC. (IWAYLINK)	Associate
WINMATE INC. (WINMATE)	Associate
PORTWELL INC. (PORTWELL)	Associate
IBASE SOLUTION CO., LTD. (IBASEGI)	Associate
GAIUS AUTOMOTIVE INC. (GAIUSAI)	Associate
LELTEK INC. (LELTEK)	Associate
UPI SEMICONDUCTOR CORP. (UPI)	Associate
IBASE (SHANGHAI) TECHNOLOGY INC. (IBASESH)	Associate
PROTECTLIFE INTERNATIONAL BIOMEDICAL INC. (PROTECTLIFE)	Associate
MEDWEL INC.(MEDWEL)	Associate
IMOZEN GROUP INC. (IMOZEN)	Associate
AMERICAN PORTWELL TECHNOLOGY INC. (APT)	Associate
EUROPEAN PORTWELL TECHNOLOGY B.V. (EPT)	Associate
PORTWELL JAPAN INC. (PJI)	Associate
FUTURE ELECTRONICS INC. (FUTURE)	Associate
Others	Other related party

(3) Significant transactions and balances with related parties

A. Sales of goods

	Years Ended	
	December 31, 2024	December 31, 2023
Sales of goods		
-Associates	$ 1,000,789	$ 618,824
-Others	54,016	59,615
	$ 1,054,805	$ 678,439

The collection periods of the Group to related parties are pay on delivery, open account 30 to 90

days and, month-end 30 to 90 days or negotiated by both parties.

B. Purchases of goods and expenses

	Years Ended	
	December 31, 2024	December 31, 2023
Purchases of goods		
-Associates	$ 3,326,186	$ 3,421,699
-Others	133,357	116,646
Purchases of services and other expenditures		
-Associates	29,665	32,887
-Others	43,506	35,264
	$ 3,532,714	$ 3,606,496

The payment term of related parties to the Group are month-end 30 to 120 days and open account 120 days.

C. Trade receivables and other receivables

	December 31, 2024	December 31, 2023
Trade receivables		
-Associates	$ 43,646	$ 65,392
-Others	268	35,787
	43,914	101,179
Other receivables		
-Associates	337	358
-Others	261	-
	598	358
	$ 44,512	$ 101,537

The trade receivables mainly arise from sales transactions, are unsecured in nature and bear no interest. The other receivables mainly pertain to advance disbursement receivable.

D. Trade payables and other items of current liabilities

	December 31, 2024	December 31, 2023
Trade payables		
-Associates	$ 1,508,464	$ 1,192,246
-Others	61,590	42,391
	1,570,054	1,234,637
Other items of current liabilities		
-Associates	33,106	24,619
-Others	-	97
	33,106	24,716
	$ 1,603,160	$ 1,259,353

The trade payables arise mainly from purchase transactions and bear no interest.

(4) Key management compensation

	Years Ended	
	December 31, 2024	December 31, 2023
Salaries and other short-term employee benefits	$ 1,280,419	$ 999,966
Post-employment benefits	7,823	7,979
	$ 1,288,242	$ 1,007,945

8. PLEDGED ASSETS

		Book Value		
Pledged assets	Items	December 31, 2024	December 31, 2023	Purpose
Other current assets and other non-current assets	Pledged restricted deposits and refundable deposits	$ 1,587,771	$ 589,994	Note
Property, plant and equipment	Land, buildings, machinery and miscellaneous equipment	696,266	914,775	Bank loans, financing, credit limits, and other short-term borrowings
Financial assets at amortized cost-non-current	Pledged restricted time deposits	164,540	–	Project and contract deposit
		$ 2,448,577	$ 1,504,769	

Note: Pledged for customs duties, lodgment for security decided by court, letter of credit, foreign exchange forward transactions, account for social security, security deposit for office and warehouse, project and contract deposit and bank loans, etc.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) Contingencies

Lawsuits for infringement of intellectual property rights

A. The Group's various products in relation to display, projector and monitors with backlight display were under the lawsuits or investigations of patent infringement in the U.S. The Group cannot presently determine the ultimate outcome of these lawsuits, but has already recognized the possible loss in the financial statements.

B. Several patentees filed lawsuits or investigations for patent infringement including LED for cellphone products, wireless network communication products that support IEEE 802.11ac communication standard, after-sales service, various products using LVDS technology processors, cellphone supporting LTE, various products supporting H.264, H.265 and screen rotation, notebooks using Panjit MOSFET, Flip series computer with reversible screen, product portfolio of routers and notebooks, notebooks equipped with Western Digital hard drives, MP3 function for desktop computer and notebook, products supporting Wi-Fi 6, 802.11ax (Wi-Fi 6/6E), Wake on Wireless Lan (WoWLAN) technology, Touchpad diagonal scrolling, or a hinge structure that allows the laptop screen to rotate 360 degrees, products using Windows 10/11 and supporting Windows Search Bar/Windows Search function, related technologies supporting Wi-Fi Peer-to-

Peer (P2P), products supporting Qi wireless charging standard, various products supporting rechargeable batteries, touch screens, MPEG and USB-C fast charging, 802.11ac standard-compatible routers and notebooks, 802.11ax-compatible products, various products supporting H.265, notebooks installing lithiumion battery module produced by CosMX, products supporting DisplayPort/embedded DisplayPort, various products supporting 5G mobile communications, ROG Phone 6D using MediaTek Dimensity chip, products with wireless charging, various products with USB-C extension dock, products with router and Wi-Fi system against the Group. These lawsuits or litigations are currently under investigation in the courts in the Republic of China, the United States, Japan, Brazil, Italy, Germany, and People's Republic of China. The Group cannot presently determine the ultimate outcome and effect of these lawsuits.

(2) Commitments

The Company signed a long-term supply cooperation contract with the supplier, stipulating that a certain amount of material purchase must be reached every year. The contract is valid from March 1, 2021 to December 31, 2024. A prepayment of USD 75,000 thousand was paid by the Company in accordance with the contract. When the contract expires, the remaining balance of the prepayment shall be offset against future orders of the Company from the supplier until fully offset. As of December 31, 2024, the prepayment amounted to $1,292,455 which was included under prepayments.

10. **SIGNIFICANT DISASTER LOSS**

None.

11. **SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL REPORTING PERIOD**

(1) On January 15, 2025, the Board of Directors of the subsidiary, ASMEDIA, resolved to acquire 100% of the outstanding ordinary shares of Techpoint, Inc. through a wholly-owned subsidiary, Apex Merger Sub Inc., which was established on December 13, 2024, at a price of US$20 (in dollars) per share, for a total transaction price amounting to approximately US$390 million. Additionally, in accordance with the agreement, if the transaction is not completed due to the failure of obtaining the necessary approvals from the government, a termination fee of US$12,000 thousand shall be paid to Techpoint, Inc. under the terms of the agreement.

(2) On January 15, 2025, the Board of Directors of the subsidiary, ASMEDIA, resolved to acquire the property in Baoyuan section of Xindian District from Wei Li International Development Co., Ltd. for a total consideration of $1,875,940. The agreement was officially signed on February 6, 2025.

12. **OTHERS**

(1) Capital management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new

shares or sell assets to reduce debt. The Group monitors capital on the basis of the liability ratio. This ratio is calculated as total liabilities by total assets. Total liabilities calculated as "current liabilities plus non-current liabilities" are shown in the consolidated balance sheets.

During 2024, the Group's strategy was to maintain the liability ratio within reasonable security range, which was unchanged from 2023. The liability ratios are as follows:

	December 31, 2024	December 31, 2023
Total liabilities	$ 259,326,117	$ 221,099,818
Total assets	$ 556,523,635	$ 480,081,800
Liability ratio	46.60%	46.05%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 3,342,201	$ 1,549,660
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	84,622,054	84,627,608
Qualified debt instruments	3,170,961	705,473
Financial assets at amortized cost		
Cash and cash equivalents	94,037,992	79,226,605
Financial assets at amortized cost	10,978,889	9,971,785
Notes receivable	7,894,697	5,114,475
Trade receivables	99,183,473	81,702,834
Other receivables	1,200,982	1,343,625
Refundable deposits	1,957,868	994,160
Derivative financial assets for hedging	853,038	-
	$ 307,242,155	$ 265,236,225

	December 31, 2024	December 31, 2023
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	$ 28,576	$ 1,053,507
Financial liabilities at amortized cost		
Short-term borrowings	25,200,887	16,239,321
Notes and trade payables	73,996,978	56,967,248
Other payables - accrued expenses	44,051,626	38,828,482
Long-term borrowings (including current portion)	461,642	194,974
Deposits received	1,086,899	935,405
Lease liabilities	1,774,308	1,534,898
Derivative financial liabilities for hedging	13,327	709,249
	$ 146,614,243	$ 116,463,084

B. Financial risk management policies

(A) The Group's operating activities expose the Group to a variety of financial risks, including market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts, currency option contracts and currency swap contracts are used to hedge certain exchange rate risk, and derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

(B) The Group's key financial plans are all reviewed by the Board of Directors under the related principles and internal control system. When executing the financial plans, the Group's treasury departments will follow the financial operating procedures in accordance with the overall financial risk management and proper segregation of duties.

(C) Information about derivative financial instruments that are used to hedge financial risk are provided in Notes 6(2) and (5).

C. Nature and degree of significant financial risks

(A) Market risk

Foreign exchange risk

a. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, EUR and CNY. Foreign exchange risk arises from future commercial transactions, recognized as assets and liabilities.

b. The management has set up the policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group's treasury. Exchange rate risk is measured through a forecast of highly probable USD, EUR and CNY expenditures. Forward foreign exchange contracts are adopted to minimize the volatility of the exchange rate affecting recognition of revenue of forecast sale.

c. The Group hedges foreign exchange rate by using forward exchange contracts, currency option contracts and currency swap contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).

d. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

e. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency is NTD; other certain subsidiaries' functional currency is USD, EUR, CNY, etc.). Non-monetary items are assessed to have no significant impact on the Group. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2024					
				Sensitivity Analysis		
	Foreign currency amount (in dollars)	Exchange rate	Book value (NTD)	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 3,930,700,048	32.785	$128,868,001	1%	$1,288,680	$ -
EUR:USD	422,818,419	34.139	14,434,607	1%	144,346	-
CNH:USD	2,668,270,087	4.478	11,949,663	1%	119,497	-
Financial liabilities						
Monetary items						
USD:NTD	4,647,107,564	32.785	152,355,421	1%	1,523,554	-
EUR:USD	57,121,951	34.139	1,950,087	1%	19,501	-
CNH:USD	3,739,396,618	4.478	16,746,630	1%	167,466	-

	December 31, 2023					
				Sensitivity Analysis		
	Foreign currency amount (in dollars)	Exchange rate	Book value (NTD)	Extent of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 3,170,198,430	30.705	$ 97,340,943	1%	$ 973,409	$ -
EUR:USD	432,925,909	33.981	14,711,352	1%	147,114	-
CNH:USD	2,931,245,483	4.326	12,681,548	1%	126,815	-
Financial liabilities						
Monetary items						
USD:NTD	4,104,379,585	30.705	126,024,975	1%	1,260,250	-
EUR:USD	57,110,553	33.981	1,940,686	1%	19,407	-
CNH:USD	3,514,031,051	4.326	15,202,874	1%	152,029	-

f. Net currency exchange (losses) gains arising from foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2024 and 2023 amounted to $57,573 and $2,965,170, respectively.

Price risk

a. The Group's equity instruments, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity instruments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

b. The Group mainly invests in equity instruments comprised of shares and open-end funds issued by the domestic companies. The value of equity instruments are susceptible to market price risk arising from uncertainties about future performance of equity markets. Assuming a hypothetical increase of 1% in the price of the aforementioned financial assets at fair value through profit or loss while the other conditions remain unchanged could increase the Group's non-operating revenue for the years ended December 31, 2024 and 2023 by $6,768 and $4,218, respectively. A change of 1% in the price of the aforementioned financial assets at fair value through other comprehensive income could increase the Group's other comprehensive income for the years ended December 31, 2024 and 2023 by $846,221and $846,276, respectively.

Cash flow and fair value interest rate risk

a. The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates which expose the Group to cash flow interest rate risk but is partially offset by cash and cash equivalents held at variable rates. During the years ended December 31, 2024 and 2023, the Group's borrowings at variable rates were denominated in USD, RMB and NTD.
b. At December 31, 2024 and 2023, if interest rates on borrowings had been 1 basis point (0.01%) higher with all other variables held constant, non-operating expenses for the years ended December 31, 2024 and 2023 would have been $5,514 and $6,080 higher, respectively, mainly as a result of higher interest expense on floating rate borrowings.

(B) Credit risk

a. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is contract cash flows of counterparties could not repay in full the accounts receivable based on the agreed terms, financial assets at amortized cost and financial assets at fair value through other comprehensive income.
b. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of "A" class above as evaluated by an independent party are accepted as counterparties. According to the Group's credit policy, each operating entity in the Group is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors, and the utilization of credit limits is regularly monitored.
c. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
d. The Group adopts the assumption under IFRS 9, that is, for most operating entities, the default occurs when the contract payments are past due over 90 days. For some subsidiaries, based on the local trading conditions and historical experience, the default occurs when the contract payments are past due over 180 days.
e. The Group classifies customer's accounts receivable in accordance with customer types. The Group applies the simplified approach using the provision matrix and loss rate method to estimate expected credit loss.

f. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
   (a) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
   (b) The disappearance of an active market for that financial asset because of financial difficulties;
   (c) Default or delinquency in interest or principal repayments;
   (d) Adverse changes in national or regional economic conditions that are expected to cause a default.
   (e) The internal or external credit rating of the instrument is "in default".
   (f) The condition which met the breach of contract by the debtor or others was assessed case-by-case.

g. The Group writes off the financial assets, which cannot reasonably be expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2024 and 2023, the Group has no written-off financial assets that are still under recourse procedures.

h. The Group conducts an assessment of expected credit risk for all recorded accounts receivable based on the following situations:
   (a) Excellent credit quality group: The expected loss rate for the excellent credit quality clients is 0.00% ~ 0.20%, and the total carrying amount of notes and trade receivables amounted to $1,690,076 and $1,709,776 and loss allowance amounted to $743 and $483 as of December 31, 2024 and 2023, respectively.
   (b) General group: The Group refers to the forecast ability of global economic indicators to adjust the loss rate which is based on historical and current information when assessing the future default possibility of notes receivable and trade receivables. The provision matrix as of December 31, 2024 and 2023 is as follows:

December 31, 2024	Not past due	Less than 30 days past due	Between 31 and 60 days past due	Between 61 and 90 days past due	Between 91 and 180 days past due	More than 181 days past due	Total
Total book value	$ 89,056,094	$ 12,731,519	$ 3,297,845	$ 655,679	$ 407,715	$ 2,316,631	$ 108,465,483
Loss allowance	$ 57,327	$ 47,676	$ 387,785	$ 122,703	$ 204,951	$ 2,256,204	$ 3,076,646
Expected loss rate	0.00%~4.16%	0.00%~19.43%	0.00%~40.90%	0.00%~54.97%	10%~100%	10%~100%	

December 31, 2023	Not past due	Less than 30 days past due	Between 31 and 60 days past due	Between 61 and 90 days past due	Between 91 and 180 days past due	More than 181 days past due	Total
Total book value	$ 67,873,855	$ 12,195,722	$ 4,667,292	$ 998,524	$ 742,800	$ 2,172,679	$ 88,650,872
Loss allowance	$ 57,044	$ 64,438	$ 566,611	$ 143,554	$ 541,616	$ 2,169,593	$ 3,542,856
Expected loss rate	0.00%~7.93%	0.00%~16.37%	0.00%~24.87%	0.00%~53.02%	3.47%~100%	10%~100%	

(c) Higher risk group: Based on historical experience, the Group uses individual assessments to calculate expected credit losses for customers with higher credit risk. As of December 31, 2024 and 2023, the total value of accounts receivable amounted to $5,699,655 and $0, respectively, with allowance for losses of $5,699,655 and $0, respectively.

i. Movements in relation to the Group's loss allowance for notes and trade receivables are as follows:

	2024	2023
January 1	$ 3,543,339	$ 3,035,717
Recognition (reversal)	5,051,401	584,892
Write-offs	(39,283)	(78,199)
Reclassifications	(29,880)	-
Effects due to changes in consolidated entities	-	503
Net exchange differences	251,467	426
December 31	$ 8,777,044	$ 3,543,339

For provisioned loss for the years ended December 31, 2024 and 2023, the net impairment loss and gain arising from customer's contract were $5,051,401 and $584,892, respectively.

j. The Group's analysis on credit quality and expected credit loss of debt instruments investment

The objective of the Group's investment policy is to achieve a return under the requirements of principal preservation and liquidity supports. The policy requires to set upper limits of exposure to credit risk of each debt instruments' issuer. The Group assesses whether there has been a significant increase in credit risk in the debt instrument investment since initial recognition according to financial market conditions, the changes in external credit ratings and material information of the debt instruments' issuers.

The Group regularly monitors, reviews and adjusts the limits according to market conditions and the credit standing of the counterparties.

The Group assesses the 12 months expected credit loss and lifetime expected credit loss based on the probability of default and default loss provided by external credit rating agencies. The current credit risk assessment mechanism of the Group is as follows:

Credit rating	Definition	Basis for recognizing expected credit loss
Stage 1	Financial assets with no significant increase in credit risk since initial recognition or low credit risk at the balance sheet date	12 months expected credit loss
Stage 2	Financial assets with significant increase in credit risk since initial recognition	Lifetime expected credit loss

k. Movements in loss allowance for investments in debt instruments at fair value through other comprehensive income of the Group are as follows:

	2024		2023	
	12 months expected credit loss	Lifetime expected credit loss	12 months expected credit loss	Lifetime expected credit loss
January 1	$ 166	$ -	$ -	$ -
Recognition (reversal)	912	-	168	-
Net exchange differences	30	-	(2)	-
December 31	$ 1,108	$ -	$ 166	$ -

l. Movements in loss allowance for investments in debt instruments carried at amortized cost of the Group are as follows:

	2024		2023	
	12 months expected credit loss	Lifetime expected credit loss	12 months expected credit loss	Lifetime expected credit loss
January 1	$ 36,651	$ -	$ 65,517	$ -
Recognition (reversal)	(2,316)	-	(28,355)	-
Disposal	(6,161)	-	(923)	-
Net exchange differences	2,304	-	412	-
December 31	$ 30,478	$ -	$ 36,651	$ -

m. For investments in financial assets at amortized cost and financial assets at fair value through other comprehensive income of the Group, the credit rating levels are as follows:

	December 31, 2024		
	12 months expected credit loss	Lifetime expected credit loss	Total
Financial assets at amortized cost			
Time deposits	$ 661,049	$ -	$ 661,049
Corporate bonds			
Internal rating - Stage 1	10,348,318	-	10,348,318
Total book value	11,009,367	-	11,009,367
Loss allowance	(30,478)	-	(30,478)
	$ 10,978,889	$ -	$ 10,978,889
Financial assets at fair value through other comprehensive income			
Corporate bonds			
Internal rating - Stage 1	$ 3,172,069	$ -	$ 3,172,069
Loss allowance	(1,108)	-	(1,108)
	$ 3,170,961	$ -	$ 3,170,961

	December 31, 2023		
	12 months expected credit loss	Lifetime expected credit loss	Total
Financial assets at amortized cost			
Time deposits	$ 483,796	$ -	$ 483,796
Corporate bonds			
Internal rating - Stage 1	9,524,640	-	9,524,640
Total book value	10,008,436	-	10,008,436
Loss allowance	(36,651)	-	(36,651)
	$ 9,971,785	$ -	$ 9,971,785
Financial assets at fair value through other comprehensive income			
Corporate bonds			
Internal rating - Stage 1	$ 705,639	$ -	$ 705,639
Loss allowance	(166)	-	(166)
	$ 705,473	$ -	$ 705,473

The Group's financial assets at amortized cost are time deposits with an original due date of more than three months and various corporate bonds, financial assets at fair value through other comprehensive income are corporate bonds, and there is no significant

abnormality in credit risk assessment.

(C) Liquidity risk

a. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group treasury. The Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's cash flow plans and compliance with internal balance sheet ratio targets.

b. The Group treasury invests surplus cash in demand deposits, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As of December 31, 2024 and 2023, the Group held financial assets at fair value through profit or loss of $1,597,506 and $1,466,273, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

c. The table below analyses the Group's non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the financial reporting period to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

	December 31, 2024				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
Non-derivative financial liabilities:					
Short-term borrowings	$ 25,200,887	$ -	$ -	$ -	$ 25,200,887
Notes and trade payables	73,996,978	-	-	-	73,996,978
Other payables - accrued expenses	44,051,626	-	-	-	44,051,626
Lease liabilities	540,244	434,305	278,316	737,993	1,990,858
Long-term borrowings (including current portion)	95,612	72,907	191,039	102,084	461,642
Other financial liabilities	2,571,749	7,063	-	-	2,578,812
Derivative financial liabilities:					
Forward exchange contracts	41,903	-	-	-	41,903

	December 31, 2023				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	More than 3 years	Total
Non-derivative financial liabilities:					
Short-term borrowings	$ 16,239,321	$ -	$ -	$ -	$ 16,239,321
Notes and trade payables	56,967,248	-	-	-	56,967,248
Other payables - accrued expenses	38,828,482	-	-	-	38,828,482
Lease liabilities	597,949	474,191	285,752	307,780	1,665,672
Long-term borrowings (including current portion)	33,392	37,762	10,877	112,943	194,974
Other financial liabilities	1,616,532	3,672	-	-	1,620,204
Derivative financial liabilities:					
Forward exchange contracts	1,622,213	-	-	-	1,622,213
Currency option contracts	127,297	-	-	-	127,297
Currency swap contracts	13,246	-	-	-	13,246

d. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis to be significantly earlier, nor expect the actual cash flow amount to be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

(A) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, financial assets at amortized cost – current (time deposits with an original due date of more than three months), notes and trade receivables, other receivables, refundable deposits, short-term borrowings, notes and trade payables, other payables - accrued expenses, other current liabilities, current portion of long-term borrowings, long-term borrowings, guarantee deposits received, lease liabilities, are reasonably approximate to the fair values.

	December 31, 2024			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets:				
Financial assets at amortized cost - current				
Corporate bonds	$ 4,535,285	$ -	$ 4,494,367	$ -
Financial assets at amortized cost - non-current				
Corporate bonds	$ 5,782,555	$ -	$ 5,581,025	$ -

	December 31, 2023			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets:				
Financial assets at amortized cost - current				
Corporate bonds	$ 58,556	$ -	$ 56,140	$ -
Financial assets at amortized cost - non-current				
Corporate bonds	$ 9,429,433	$ -	$ 8,866,908	$ -

(B) The fair values of corporate bonds are determined by quoted market prices provided by third party pricing services.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(A) The related information about the nature of the assets and liabilities is as follows:

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity instruments	$ 558,225	$ 5,055	$ 113,493	$ 676,773
Beneficiary certificates	1,083,745	13,911	70,000	1,167,656
Derivative	-	1,022,336	-	1,022,336
Hybrid instruments	118,000	-	357,436	475,436
Derivative financial assets for hedging	-	853,038	-	853,038
Financial assets at fair value through other comprehensive income				
Equity instruments	84,179,417	199,081	243,556	84,622,054
Debt instruments	-	3,170,961	-	3,170,961
	$85,939,387	$ 5,264,382	$ 784,485	$91,988,254
Liabilities:				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative	$ -	$ 28,576	$ -	$ 28,576
Derivative financial liabilities for hedging	-	13,327	-	13,327
	$ -	$ 41,903	$ -	$ 41,903

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity instruments	$ 361,726	$ 4,959	$ 55,086	$ 421,771
Beneficiary certificates	980,583	16,365	-	996,948
Derivative	-	1,307	-	1,307
Hybrid instruments	121,000	-	8,634	129,634
Financial assets at fair value through other comprehensive income				
Equity instruments	84,358,577	164,611	104,420	84,627,608
Debt instruments	-	705,473	-	705,473
	$85,821,886	$ 892,715	$ 168,140	$86,882,741
Liabilities:				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative	$ -	$ 1,053,507	$ -	$ 1,053,507
Derivative financial liabilities for hedging	-	709,249	-	709,249
	$ -	$ 1,762,756	$ -	$ 1,762,756

(B) The methods and assumptions the Group used to measure fair value are as follows:

a. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed and OTC stocks	Open-end fund	Convertible bonds
Market quoted price	Closing price	Net asset value	Closing price

b. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the financial reporting date.

c. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitized instruments. Certain inputs used in the valuation model are not observable at market, and the Group

must make reasonable estimates based on its assumptions.

d. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts, currency option contracts and currency swap contracts are usually valued based on the current forward exchange rate.

e. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheets. The pricing and inputs information used during valuation are carefully assessed and adjusted based on current market conditions.

D. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.

E. The movement of financial and non-financial instruments measured at fair value by Level 3 is as follows:

	Equity instruments and Hybrid instruments	
	2024	2023
January 1	$ 168,140	$ 196,964
Acquisitions	608,564	-
Disposal	(1,877)	-
Recognition in profit (loss) (Note 1)	9,768	7,128
Recognition in other comprehensive income (loss) (Note 2)	(2,191)	(10,797)
Reclassifications	-	(25,155)
Foreign exchange changes	2,081	-
December 31	$ 784,485	$ 168,140

Note 1: Recorded as other gains (losses).

Note 2: Recorded as unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income.

F. The investment segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the source of

information is independent, reliable and in line with other resources and any other necessary adjustments to the fair value.

The investment segment cooperatively set up valuation policies, valuation processes and rules for measuring fair value of financial instruments that ensure compliance with the related requirements in IFRS.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments:					
Unlisted and non-OTC stocks	$ 94,133	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value
Unlisted and non-OTC stocks	29,908	Comparable Listed and OTC companies analysis	Price to book ratio multiple, discount for lack of marketability	Not applicable	The higher the multiple, the higher the fair value; The higher the discount for lack of marketability, the lower the fair value.
Unlisted and non-OTC stocks	208,008	Discounted cash flow method	Note 1	Not applicable	Note 2
Unlisted and non-OTC stocks	25,000	At the most recent transaction price in an inactive market	Not applicable	Not applicable	Not applicable
Beneficiary certificates:					
Private fund	70,000	Net asset value	Not applicable	Not applicable	Not applicable
Hybrid instruments:					
Unlisted and non-OTC stocks	223,894	Discounted cash flow method	Note 1	Not applicable	Note 2
Embedded option	133,542	Option pricing model	Stock price volatility	Not applicable	The higher the stock price volatility, the higher the fair value

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Equity instruments:					
Unlisted and non-OTC stocks	$ 34,637	Net asset value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value
Unlisted and non-OTC stocks	1,089	Comparable Listed and OTC companies analysis	Price to book ratio multiple, discount for lack of marketability	Not applicable	The higher the multiple, the higher the fair value; The higher the discount for lack of marketability, the lower the fair value.
Unlisted and non-OTC stocks	123,780	Discounted cash flow method	Note 1	Not applicable	Note 2
Hybrid instruments:					
Unlisted and non-OTC stocks	59,291	Discounted cash flow method	Note 1	Not applicable	Note 2
Embedded option	(50,657)	Option pricing model	Stock price volatility	Not applicable	The higher the stock price volatility, the higher the fair value

Note 1: Long-term revenue growth rate, weighted average cost of capital, long-term operating profit before income tax, discount for lack of marketability and discounts for minority interest.

Note 2: The higher the discount for lack of marketability, the lower the fair value; the higher the weighted average cost of capital and discount for minority interest, the lower the fair value; the higher the long-term revenue growth rate and long-term operating profit before income tax, the higher the fair value.

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in a different outcome.

13. **SUPPLEMENTARY DISCLOSURES**

(1) Significant transactions information

A. Financing provided: Please refer to table 1.

B. Endorsements and guarantees provided: None.

C. Marketable securities held at the end of period (excluding investments in subsidiaries, associates

and joint ventures): Please refer to table 2.

D. Marketable securities acquired and disposed of at costs or prices of at least $300 million or 20% of the paid-in capital: Please refer to table 3.

E. Acquisition of real estate properties at costs of at least $300 million or 20% of the paid-in capital: None.

F. Disposal of real estate properties at prices of at least $300 million or 20% of the paid-in capital: None.

G. Total purchases from or sales to related parties of at least $100 million or 20% of the paid-in capital: Please refer to table 4.

H. Receivables from related parties amounting to at least $100 million or 20% of the paid-in capital: Please refer to table 5.

I. Trading in derivative instruments undertaken during the reporting period: Please refer to 6(2), (5).

J. Intercompany relationships and significant intercompany transactions: Please refer to table 6.

(2) Information on investees

Names, locations, and related information of investees over which the Company exercises significant influence (excluding information on investments in mainland China): Please refer to table 7.

(3) Information on investments in China

A. Information on investments in mainland China: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in China: Please refer to table 6.

(4) Major shareholders information

Major shareholders information: None.

14. **OPERATING SEGMENT INFORMATION**

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information in this period.

(2) Measurement basis

The Group uses the revenue and operating profit as the measurement for operating segment profit and the basis of performance assessment. The accounting policies of the operating segments and the accounting policies described in Note 4 of the consolidated financial statements are the same.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Year ended December 31, 2024		
	3C Brand	Others	Total
Revenues from external customers	$ 546,327,462	$ 40,759,635	$ 587,087,097
Revenues from other segments	$ 2,206,911	$ 8,032,405	- (Note 1)
Segment income	$ 27,450,073	$ 2,164,040	$ 29,614,113
Total assets (Note 2)	$ -	$ -	$ -

	Year ended December 31, 2023		
	3C Brand	Others	Total
Revenues from external customers	$ 445,812,456	$ 36,501,973	$ 482,314,429
Revenues from other segments	$ 2,230,259	$ 6,936,011	- (Note 1)
Segment income	$ 8,348,778	$ 2,797,316	$ 11,146,094
Total assets (Note 2)	$ -	$ -	$ -

Note 1: The intra-segment revenues have been eliminated to $0.

Note 2: Because the Group's segment assets are not provided to the chief operating decision-marker, such items are not required to be disclosed.

(4) Reconciliation for segment income

A. The intra-segment transactions are based on fair value. The revenues from external customers reported to the chief operating decision-maker are measured in a manner consistent with the consolidated statements of comprehensive income.

B. The reconciliation of the reportable operating segments' profit (others are the same as consolidated statements of comprehensive income) is as follows:

	Years Ended	
	December 31, 2024	December 31, 2023
Reportable operating segments' profit (loss) before adjustment	$ 29,614,113	$ 11,146,094
Unallocated profit (loss)	(18,741)	17,938
Reportable operating segments' profit (loss)	$ 29,595,372	$ 11,164,032

(5) Geographical information

Geographical information for the years ended December 31, 2024 and 2023 is as follows:

	Years Ended			
	December 31, 2024		December 31, 2023	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 56,973,357	$ 22,799,085	$ 46,987,128	$ 25,945,736
China	124,642,638	7,602,603	106,733,084	7,182,953
Singapore	220,453,521	212,259	170,402,859	56,006
USA	116,004,701	1,633,362	93,617,217	1,590,363
Europe	25,060,264	929,589	23,710,086	416,929
Others	43,952,616	2,206,947	40,864,055	1,035,488
	$587,087,097	$ 35,383,845	$482,314,429	$ 36,227,475

The above non-current assets exclude financing instruments, deferred income tax assets and certain other non-current assets.

(6) Major customer information

No single customer accounts for more than 10% of the consolidated operating revenue for the years ended December 31, 2024 and 2023.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

FINANCING PROVIDED

YEAR ENDED DECEMBER 31, 2024

Table 1 (Amounts in thousands of New Taiwan dollars and foreign currencies)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate (%)	Nature for Financing (Note 1)	Transaction Amounts	Reason for Financing	Loss allowance	Collateral		Financing Limits for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)	Note
													Item	Value			
1	ASUS	ASKEY	Other receivables	Yes	1,000,000	1,000,000	-	2.13	b	-	Need for operations	-	-	-	40,430,947	53,907,929	
2	ASUS	ASUSCLOUD	Other receivables	Yes	750,000	500,000	500,000	2.06	b	-	Need for operations	-	-	-	40,430,947	53,907,929	
3	ASUS	ATL	Other receivables	Yes	200,000	200,000	-	NA	b	-	Need for operations	-	-	-	40,430,947	53,907,929	
4	ASTP	ASGL	Other receivables	Yes	32,785,000 (USD 1,000,000)	32,785,000 (USD 1,000,000)	29,506,500 (USD 900,000)	5.00	b	-	Need for operations	-	-	-	48,194,260 (USD 1,470,009)	48,194,260 (USD 1,470,009)	
5	ASGL	ASIN	Other receivables	Yes	2,774,242 (INR 7,245,419)	-	-	-	a	16,622,207 (USD 533,533)	-	-	-	-	65,284,167 (USD 1,991,282)	65,284,167 (USD 1,991,282)	

Note 1：Nature for Financing：a. Business transaction calls for a loan arrangement.

b. The need for short-term financing.

Note 2：Limit of total financing amount：a. According to Procedures for Lending of ASUS, limit of total financing amount shall not exceed 20% of the net worth of ASUS as of the period.

b. According to Procedures for Lending of ASTP, limit of total financing amount to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by publicly traded parent company - ASUS, which are not located in Taiwan, shall not exceed 100% of the net worth of ASTP as of the period.

c. According to Procedures for Lending of ASGL, limit of total financing amount to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by publicly traded parent company - ASUS, which are not located in Taiwan, shall not exceed 100% of the net worth of ASGL as of the period.

Limit financing amount for individual counterparty：a. According to Procedures for Lending of ASUS, limit of financing amount for individual counterparty shall not exceed 15% of the net worth of ASUS as of the period.

b. According to Procedures for Lending of ASTP, limit of financing amount to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by publicly traded parent company - ASUS, which are not located in Taiwan, for individual counterparty shall not exceed 100% of the net worth of ASTP as of the period.

c. According to Procedures for Lending of ASGL, limit of financing amount to the subsidiaries whose voting shares are 100% owned, directly or indirectly, by publicly traded parent company - ASUS, which are not located in Taiwan, for individual counterparty shall not exceed 100% of the net worth of ASGL as of the period.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

(EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)

DECEMBER 31, 2024

Table 2

(Amounts in thousands of New Taiwan dollars)

Held Company Name	Marketable Securities		Relationship with the Company (Note 1)	Financial Statement Account (Note 2)	December 31, 2024				Note
	Type	Name			Shares/Units	Carrying Value	Percentage (%)	Fair Value	
ASUS	Stock	SPORTON	-	a	370,873	76,771	0.36	76,771	
ASUS	Fund	TNP LIGHT	-	b	198	13,911	3.67	13,911	
ASUS	Stock	LEDLINK	-	c	718,607	20,516	1.26	20,516	
ASUS	Stock	GLOBALWAFERS	-	c	1,626,626	620,558	0.34	620,558	
ASUS	Stock	JMC	-	c	830,000	30,337	1.00	30,337	
ASUS	Stock	ENE	b	d	444,364	20,885	0.98	20,885	
ASUS	Stock	ADVANTECH	-	d	113,483,106	39,321,896	13.14	39,321,896	
ASUS	Stock	AMTRUST	b	d	7,500,000	88,166	7.81	88,166	
ASUS	Stock	PEGA	-	d	448,506,484	41,217,746	16.84	41,217,746	
ASUS	Stock	APTOS	-	d	125,040	-	0.21	-	
ASUS	Stock	A-WEI TECH	-	d	301,876	408	1.83	408	
ASUS	Stock	EOSTEK	-	d	1,600,000	118	14.94	118	
ASUS	Stock	EMPASS	-	d	1,592,396	62,381	15.71	62,381	
ASUS	Stock	NANOLUX	-	d	536	-	10.30	-	
ASUS	Stock	94BOT	-	d	100,000	-	4.80	-	
ASUS	Stock	AISTORM	-	d	178,784	454	0.69	454	
ASUS	Stock	FREEDOM SYSTEMS	-	d	884,999	43,141	10.00	43,141	
ACSH	Stock	LIANSHUO COMPUTER	-	d	-	31,036	19.80	31,036	
ACCQ	Stock	XINZHONGGUAN (WITH EMBEDDED OPTION)	-	b	10,000,000	349,318	10.29	349,318	
ASMEDIA	Fund	MEGA DIAMOND MONEY MARKET	-	a	23,753,662	310,710	-	310,710	
ASMEDIA	Fund	CAPITAL MONEY MARKET	-	a	17,237,540	289,940	-	289,940	
ASMEDIA	Fund	FUBON CHI-HSIANG MONEY MARKET	-	a	3,062,056	50,009	-	50,009	
ASMEDIA	Fund	CDIB-CAPITAL TEN	-	b	-	70,000	-	70,000	
ASMEDIA	Stock	AUGENTIX	-	d	2,240,000	15,412	5.81	15,412	
ASMEDIA	Stock	ICATCH TECHNOLOGY	-	d	4,300,000	284,230	4.46	284,230	
ASMEDIA	Stock	WT PREFERRED STOCK	a	d	8,000,000	398,400	-	398,400	
ASMEDIA	Stock	LERAIN	-	d	1,200,000	14,496	3.99	14,496	
ASMEDIA	Stock	TELETRX	-	d	5,230,486	42,471	16.00	42,471	
ASMEDIA	Stock	AIONCHIP TECHNOLOGIES	-	d	2,700,000	53,487	13.50	53,487	
ASMEDIA	Stock	TA SHEE RESORT	-	d	1	25,000	-	25,000	
ASKEY	Stock	CIPHERMAX	-	b	9,234	-	0.00	-	
ASKEY	Stock	RETI	-	b	80,700	-	3.32	-	
MIC	Stock	BROADCOM	-	b	900	6,841	0.00	6,841	
MIC	Stock	ZARLINK SEMI-CONDUCTOR	-	b	44,775	-	0.04	-	
DIC	Stock	FORTE' MEDIA	-	b	200,000	-	0.30	-	
HCVC	Fund	TAISHIN 1699 MONEY MARKET	-	a	6,606,269	93,462	-	93,462	
HCVC	Fund	TAISHIN TA-CHONG MONEY MARKET	-	a	5,437,817	80,585	-	80,585	
HCVC	Stock	LEDLINK	-	c	336,546	9,608	0.59	9,608	
HCVC	Stock	APAQ TECHNOLOGY	-	d	10,668,012	1,584,200	11.99	1,584,200	
HCVC	Stock	A-WEI TECH	-	d	301,876	408	1.83	408	
HMI	Fund	TAISHIN 1699 MONEY MARKET	-	a	4,706,041	66,579	-	66,579	
HMI	Stock	APAQ TECHNOLOGY	-	d	3,210,015	476,687	3.61	476,687	
HMI	Stock	A-WEI TECH	-	d	174,417	235	1.06	235	
AAEON	Fund	MEGA DIAMOND MONEY MARKET	-	a	2,091,070	27,352	-	27,352	
AAEON	Stock	MACHVISION TECHNOLOGY	b	a	1,180,198	467,358	2.03	467,358	
AAEON	Stock	ALLIED BIOTECH	-	a	300,000	5,055	0.31	5,055	
AAEON	Stock	LILEE SYSTEMS PREFERRED STOCK	-	b	468,750	-	-	-	
AAEON	Stock	TELEJON WIRELESS PREFERRED STOCK	-	b	149,700	-	-	-	
AAEON	Stock	INSYNERGER TECHNOLOGY	-	b	1,761,300	19,360	15.05	19,360	
AAEON	Stock	V-NET AAEON (WITH EMBEDDED OPTION)	-	b	29	8,118	14.50	8,118	
AAEONI	Convertible Bond	IBASE 6	a	a	1,000,000	118,000	-	118,000	
ONYX	Stock	TOP UNION ELECTRONICS	-	a	223,918	7,255	0.15	7,255	
ONYX	Stock	INNO FUND III	-	b	3,000,000	43,076	13.04	43,076	
ONYX	Stock	MELTEN CONNECTED HEALTHCARE	-	d	4,193,548	-	6.61	-	
ONYX	Stock	TOP UNION ELECTRONICS	-	d	2,773,082	89,848	1.91	89,848	
ONYX	Stock	CREATIVE LIFE SCIENCE	-	d	900,000	61,200	4.09	61,200	
JETWAY	Stock	DUNPIN NO.1	-	b	2,000,000	21,065	5.31	21,065	
JETWAY	Stock	TAIPEI TECH INNO II	-	b	3,000,000	29,992	10.00	29,992	
AIL	Fund	PRODIGY STRATEGY INVESTMENT XIV	-	b	3,530	160,678	-	160,678	
AIL	Stock	EONEX	-	d	31,733	-	2.70	-	
AIL	Stock	ISTAGING	-	d	988,889	4,224	2.15	4,224	
AIL	Stock	PTSN	-	d	260,977,800	104,506	4.91	104,506	
UEI	Fund	CAPITAL MONEY MARKET	-	a	263,291	4,430	-	4,430	
ASGL	Bond	BNP PARIBAS	-	d	7,000,000	234,911	-	234,911	
ASGL	Bond	BRISTOL-MYERS SQUIBB	-	d	9,000,000	254,792	-	254,792	
ASGL	Bond	CARGILL	-	d	6,000,000	191,128	-	191,128	
ASGL	Bond	CRÉDIT AGRICOLE	-	d	6,000,000	198,270	-	198,270	
ASGL	Bond	DUKE ENERGY FLORIDA	-	d	6,000,000	204,818	-	204,818	
ASGL	Bond	IBM INTERNAT CAPITAL	-	d	6,000,000	194,888	-	194,888	
ASGL	Bond	INTEL	-	d	6,500,000	206,082	-	206,082	
ASGL	Bond	JOHNSON & JOHNSON	-	d	7,000,000	152,689	-	152,689	
ASGL	Bond	MERCK	-	d	7,000,000	155,508	-	155,508	
ASGL	Bond	NTT FINANCE	-	d	6,000,000	164,614	-	164,614	
ASGL	Bond	PFIZER INVESTMENT ENTER	-	d	6,000,000	190,524	-	190,524	
ASGL	Bond	ROCHE HOLDINGS	-	d	3,000,000	101,684	-	101,684	
ASGL	Bond	SIEMENS FINANCIERINGSMAT	-	d	6,500,000	181,569	-	181,569	
ASGL	Bond	T-MOBILE USA	-	d	7,000,000	199,079	-	199,079	
ASGL	Bond	UNILEVER CAPITAL	-	d	6,000,000	196,688	-	196,688	
ASGL	Bond	UNITEDHEALTH GROUP	-	d	6,000,000	186,613	-	186,613	
ASGL	Bond	VERIZON COMMUNICATIONS	-	d	7,000,000	157,104	-	157,104	
ASGL	Bond	ABN AMRO BANK	-	e	3,830,000	124,194	-	125,063	
ASGL	Bond	AERCAP IRELAND CAPITAL DAC / AERCAP GLOBAL AVIATION TRUST	-	e	310,000	10,158	-	10,183	
ASGL	Bond	AFRICA FINANCE	-	e	1,870,000	61,654	-	60,615	
ASGL	Bond	ALLY FINANCIAL	-	e	1,670,000	55,416	-	54,814	
ASGL	Bond	AVOLON HOLDINGS FUNDING	-	e	800,000	26,068	-	26,142	
ASGL	Bond	BANCO BTG PACTUAL OF CAYMAN ISLANDS	-	e	1,320,000	43,165	-	43,054	
ASGL	Bond	BANCO LATINOAMERICANO DE COMERCIO EXTERIOR	-	e	3,820,000	125,769	-	122,942	
ASGL	Bond	BANCO SANTANDER	-	e	4,000,000	134,530	-	131,033	

Held Company Name	Marketable Securities		Relationship with the Company (Note 1)	Financial Statement Account (Note 2)	December 31, 2024				Note
	Type	Name			Shares/Units	Carrying Value	Percentage (%)	Fair Value	
ASGL	Bond	BANK OF NOVA SCOTIA	-	e	1,670,000	56,412	-	54,470	
ASGL	Bond	BATH & BODY WORKS	-	e	330,000	10,990	-	11,002	
ASGL	Bond	BAYER US FINANCE II	-	e	4,440,000	148,370	-	144,586	
ASGL	Bond	BHARAT PETROLEUM	-	e	1,840,000	60,488	-	60,138	
ASGL	Bond	BHARTI AIRTEL	-	e	2,110,000	69,593	-	68,899	
ASGL	Bond	BOC AVIATION	-	e	1,800,000	59,215	-	58,661	
ASGL	Bond	BRAMBLES USA	-	e	460,000	14,934	-	14,974	
ASGL	Bond	CAPITAL ONE FINANCIAL	-	e	4,370,000	142,024	-	142,334	
ASGL	Bond	CHARTER COMMUNICATIONS OPERATING / CHARTER COMMUNICATIONS OPERATING CAPITAL C	-	e	120,000	3,916	-	3,930	
ASGL	Bond	CHOUZHOU INTERNATIONAL INVESTMENT	-	e	3,820,000	125,225	-	124,957	
ASGL	Bond	COMMONWEALTH BANK OF AUSTRALIA	-	e	1,700,000	57,161	-	55,465	
ASGL	Bond	CONAGRA BRANDS	-	e	4,680,000	154,677	-	153,367	
ASGL	Bond	DEUTSCHE BANK	-	e	2,280,000	74,563	-	74,638	
ASGL	Bond	EDISON INTERNATIONAL	-	e	1,970,000	64,236	-	64,525	
ASGL	Bond	ENEL FINANCE INTERNATIONAL	-	e	3,340,000	110,859	-	111,258	
ASGL	Bond	FORD MOTOR CREDIT	-	e	4,700,000	151,613	-	151,675	
ASGL	Bond	GENERAL MOTORS FINANCIAL	-	e	3,930,000	128,133	-	129,186	
ASGL	Bond	GLENCORE FUNDING	-	e	2,530,000	82,418	-	81,168	
ASGL	Bond	GLP	-	e	3,710,000	121,932	-	117,373	
ASGL	Bond	GOLDMAN SACHS GROUP	-	e	3,550,000	117,755	-	115,746	
ASGL	Bond	HIKMA FINANCE USA	-	e	3,780,000	124,596	-	122,164	
ASGL	Bond	INTERNATIONAL FLAVORS & FRAGRANCES	-	e	2,010,000	64,352	-	64,060	
ASGL	Bond	INTESA SANPAOLO	-	e	3,850,000	127,430	-	128,358	
ASGL	Bond	JAGUAR LAND ROVER AUTOMOTIVE	-	e	2,610,000	85,614	-	85,523	
ASGL	Bond	KOHL'S	-	e	2,100,000	69,239	-	67,978	
ASGL	Bond	LEVIATHAN BOND	-	e	2,230,000	73,399	-	72,746	
ASGL	Bond	LLOYDS BANKING GROUP	-	e	1,720,000	57,887	-	56,137	
ASGL	Bond	LYB INTERNATIONAL FINANCE III	-	e	981,000	32,173	-	31,312	
ASGL	Bond	MACQUARIE BANK	-	e	3,700,000	122,726	-	121,168	
ASGL	Bond	MARATHON PETROLEUM	-	e	1,760,000	58,148	-	57,637	
ASGL	Bond	MEITUAN	-	e	4,490,000	144,502	-	143,668	
ASGL	Bond	MICROCHIP TECHNOLOGY	-	e	1,000,000	33,046	-	32,649	
ASGL	Bond	MIZUHO FINANCIAL GROUP	-	e	3,165,000	103,063	-	103,111	
ASGL	Bond	NISSAN MOTOR	-	e	3,910,000	125,346	-	126,338	
ASGL	Bond	OCCIDENTAL PETROLEUM	-	e	2,860,000	94,010	-	93,984	
ASGL	Bond	PT BANK MANDIRI (PERSERO)	-	e	1,740,000	57,487	-	56,951	
ASGL	Bond	ROYALTY PHARMA	-	e	1,960,000	64,197	-	62,669	
ASGL	Bond	SANTANDER UK GROUP HOLDINGS	-	e	3,920,000	130,711	-	128,038	
ASGL	Bond	SOCIETE GENERALE	-	e	1,190,000	38,750	-	38,805	
ASGL	Bond	SOUTHWESTERN ENERGY	-	e	2,240,000	73,435	-	73,428	
ASGL	Bond	SYNGENTA FINANCE	-	e	3,550,000	117,383	-	116,259	
ASGL	Bond	TENGIZCHEVROIL FINANCE INTERNATIONAL	-	e	3,800,000	124,968	-	122,056	
ASGL	Bond	TURKCELL ILETISIM HIZMETLERI	-	e	1,200,000	39,212	-	39,344	
ASGL	Bond	VICI PROPERTIES / VICI NOTE	-	e	2,980,000	97,256	-	97,314	
ASGL	Bond	VISTRA OPERATIONS	-	e	1,335,000	43,551	-	43,719	
ASGL	Bond	VMWARE	-	e	1,690,000	55,978	-	55,326	
ASGL	Bond	WESTERN MIDSTREAM OPERATING	-	e	1,270,000	41,358	-	41,427	
ASGL	Bond	ABBVIE	-	f	1,750,000	58,907	-	56,352	
ASGL	Bond	AERCAP IRELAND CAPITAL DAC / AERCAP GLOBAL AVIATION TRUST	-	f	3,550,000	119,735	-	115,776	
ASGL	Bond	AFRICA FINANCE	-	f	1,820,000	60,819	-	58,695	
ASGL	Bond	AIR LEASE	-	f	3,900,000	128,115	-	121,871	
ASGL	Bond	AIRCASTLE	-	f	3,580,000	121,020	-	116,116	
ASGL	Bond	AKER BP	-	f	2,630,000	86,444	-	82,041	
ASGL	Bond	ALCON FINANCE	-	f	1,500,000	50,449	-	47,531	
ASGL	Bond	ARCELORMITTAL	-	f	1,900,000	64,019	-	61,900	
ASGL	Bond	AUSTRALIA AND NEW ZEALAND BANKING GROUP	-	f	3,460,000	117,723	-	112,561	
ASGL	Bond	AVIATION CAPITAL GROUP	-	f	3,920,000	128,739	-	124,434	
ASGL	Bond	AVOLON HOLDINGS FUNDING	-	f	3,450,000	116,950	-	113,415	
ASGL	Bond	BANCO BTG PACTUAL OF CAYMAN ISLANDS	-	f	1,100,000	35,555	-	34,754	
ASGL	Bond	BANK OF AMERICA	-	f	3,430,000	116,387	-	111,981	
ASGL	Bond	BARCLAYS	-	f	3,410,000	116,173	-	111,921	
ASGL	Bond	BERRY GLOBAL	-	f	1,740,000	57,927	-	56,818	
ASGL	Bond	BNP PARIBAS	-	f	3,520,000	119,405	-	114,122	
ASGL	Bond	BOC AVIATION	-	f	2,060,000	67,541	-	65,426	
ASGL	Bond	BPCE	-	f	3,420,000	116,464	-	111,691	
ASGL	Bond	CITIGROUP	-	f	1,680,000	57,006	-	54,929	
ASGL	Bond	CNH INDUSTRIAL CAPITAL	-	f	1,940,000	63,676	-	61,655	
ASGL	Bond	COLORADO INTERSTATE GAS / COLORADO INTERSTATE ISSUING	-	f	1,940,000	65,693	-	62,772	
ASGL	Bond	CONTEMPRY RUIDNG DEVELOP	-	f	1,000,000	31,164	-	30,968	
ASGL	Bond	COOPERATIEVE RABOBANK U.A.	-	f	3,570,000	120,952	-	114,678	
ASGL	Bond	COX COMMUNICATION	-	f	1,750,000	59,248	-	56,000	
ASGL	Bond	CROWN AMERICAS / CROWN AMERICAS CAPITAL V	-	f	2,240,000	75,026	-	71,630	
ASGL	Bond	CVS HEALTH	-	f	1,780,000	59,858	-	56,527	
ASGL	Bond	DELL INTERNATIONAL / EMC	-	f	2,155,000	74,520	-	71,116	
ASGL	Bond	DEUTSCHE BANK	-	f	1,420,000	47,629	-	46,222	
ASGL	Bond	DISCOVER BANK	-	f	1,760,000	59,273	-	56,402	
ASGL	Bond	GLOBAL PAYMENTS	-	f	1,660,000	56,626	-	54,293	
ASGL	Bond	GXO LOGISTICS	-	f	1,640,000	51,015	-	51,050	
ASGL	Bond	HARBOUR ENERGY	-	f	1,200,000	37,479	-	39,193	
ASGL	Bond	HCA	-	f	1,650,000	56,530	-	54,229	
ASGL	Bond	HEWLETT PACKARD	-	f	2,130,000	69,937	-	67,255	
ASGL	Bond	HYATT HOTELS	-	f	3,600,000	120,998	-	117,956	
ASGL	Bond	ICICI BANK OF DUBAI	-	f	1,830,000	60,905	-	59,310	
ASGL	Bond	INTERNATIONAL GAME TECHNOLOGY	-	f	1,200,000	39,718	-	38,679	
ASGL	Bond	IQVIA	-	f	2,330,000	76,617	-	75,360	
ASGL	Bond	JERSEY CENTRAL POWER & LIGHT	-	f	1,800,000	60,503	-	58,707	
ASGL	Bond	KEYBANK NATIONAL ASSOCIATION OF CLEVELAND, OHIO	-	f	1,700,000	57,362	-	54,465	
ASGL	Bond	LENNAR	-	f	3,390,000	116,246	-	111,673	
ASGL	Bond	LLOYDS BANKING GROUP	-	f	1,740,000	58,684	-	56,708	
ASGL	Bond	MEXICO CITY AIRPORT TRUST	-	f	3,600,000	121,483	-	115,376	
ASGL	Bond	MITSUBISHI UFJ FINANCIAL GROUP	-	f	1,760,000	59,271	-	55,910	
ASGL	Bond	MIZUHO FINANCIAL GROUP	-	f	1,477,000	49,767	-	47,649	
ASGL	Bond	MPT OPERATING PARTNERSHIP / MPT FINANCE	-	f	2,050,000	52,619	-	61,832	
ASGL	Bond	NATIONWIDE BUILDING SOCIETY	-	f	3,510,000	119,504	-	112,846	
ASGL	Bond	NXP / NXP FUNDING	-	f	1,630,000	55,810	-	53,649	
ASGL	Bond	OCCIDENTAL PETROLEUM	-	f	2,400,000	76,025	-	76,522	

Held Company Name	Marketable Securities		Relationship with the Company (Note 1)	Financial Statement Account (Note 2)	December 31, 2024				Note
	Type	Name			Shares/Units	Carrying Value	Percentage (%)	Fair Value	
ASGL	Bond	ONEOK	-	f	3,340,000	113,394	-	110,465	
ASGL	Bond	ONGC VIDESH VANKORNEFT	-	f	3,700,000	123,009	-	118,866	
ASGL	Bond	OVINTIV EXPLORATION	-	f	1,240,000	40,378	-	40,795	
ASGL	Bond	PACIFIC GAS AND ELECTRIC	-	f	3,830,000	126,119	-	122,806	
ASGL	Bond	PHILLIPS 66	-	f	3,580,000	121,112	-	115,263	
ASGL	Bond	PRIME SECURITY SERVICES BORROWER / PRIME FINANCE	-	f	2,190,000	73,788	-	71,759	
ASGL	Bond	SABINE PASS LIQUEFACTION	-	f	1,640,000	56,421	-	54,275	
ASGL	Bond	SHINHAN BANK	-	f	3,540,000	119,162	-	114,238	
ASGL	Bond	SHINHAN FINANCIAL GROUP	-	f	1,950,000	63,972	-	61,530	
ASGL	Bond	SK HYNIX	-	f	660,000	21,603	-	20,865	
ASGL	Bond	SOCIETE GENERALE	-	f	3,520,000	118,999	-	113,232	
ASGL	Bond	SOFTBANK GROUP	-	f	1,140,000	37,090	-	36,485	
ASGL	Bond	STANDARD CHARTERED	-	f	3,530,000	119,153	-	114,533	
ASGL	Bond	SUMITOMO MITSUI FINANCIAL GROUP	-	f	1,760,000	59,128	-	55,948	
ASGL	Bond	SYNCHRONY FINANCIAL	-	f	3,800,000	127,187	-	121,854	
ASGL	Bond	TECHNIPFMC	-	f	2,210,000	73,570	-	72,369	
ASGL	Bond	T-MOBILE USA	-	f	1,930,000	63,405	-	61,049	
ASGL	Bond	TRINITY ACQUISITION	-	f	1,680,000	57,133	-	54,690	
ASGL	Bond	UBS GROUP	-	f	5,100,000	173,743	-	166,273	
ASGL	Bond	UTAH ACQUISITION SUB	-	f	1,965,000	66,556	-	63,406	
ASGL	Bond	WESTERN DIGITAL	-	f	2,400,000	79,493	-	77,925	
ASGL	Bond	WESTERN MIDSTREAM OPERATING	-	f	1,030,000	34,551	-	33,591	
ASGL	Bond	WOODSIDE FINANCE	-	f	2,020,000	67,479	-	64,910	
ASGL	Bond	XP	-	f	1,620,000	52,594	-	50,932	

Note 1： a. Associate. b. Other related parties.
Note 2： a. Financial assets at fair value through profit or loss - current；b. Financial assets at fair value through profit or loss - non-current；c. Financial assets at fair value through other comprehensive income - current；
d. Financial assets at fair value through other comprehensive income - non-current；e. Financial assets measured at amortized costs - current；f. Financial assets measured at amortized costs - non-current.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL

YEAR ENDED DECEMBER 31, 2024

Table 3 (Amounts in thousands of New Taiwan dollars)

Company Name	Marketable Securities		Financial Statement Account (Note 1)	Counterparty	Nature of Relationship	Beginning Balance		Acquisition			Disposal					Ending Balance	
	Type	Name				Shares/Units	Amount	Shares/Units	Amount	(Note 2)	Shares/Units	Amount	Carrying Value	(Note 2)	Gains/Losses on Disposal	Shares/Units	Amount
ASKEY	Stock	ASKEYVNBN	e	-	Subsidiary	-	204,565	-	362,255	a	-	-	1,388	g	-	-	798,124
									232,692	d							
ACCQ	Stock	XINZHONGGUAN (WITH EMBEDDED OPTION)	b	-	-	-	-	10,000,000	347,407	a	-	-	-	-	-	10,000,000	349,318
									1,911	c							
ASTP	Stock	ACSH	e	-	Subsidiary	-	-	-	5,459,040	a	-	-	101,710	g	-	-	3,597,660
									723,169	d			2,556,690	j			
									73,851	c							
ACNL	Stock	ACIT	e	-	Subsidiary	-	33,645	-	382,162	a	-	-	788	g	-	-	457,085
									49,387	d			7,321	c			

Note 1：a. Financial assets at fair value through profit or loss - current.

b. Financial assets at fair value through profit or loss - non-current.

c. Financial assets at fair value through other comprehensive income - current.

d. Financial assets at fair value through other comprehensive income - non-current.

e. Investments accounted for under equity method.

Note 2：a. Acquired or capital increase/ disposed or capital reduction / liquidation in this period.

b. Revaluation.

c. Recognized in effect of exchange rate changes.

d. Recognized in investment gains or losses under equity investment.

e. Recognized in cash dividends under equity investment.

f. Recognized in capital surplus under equity investment.

g. Recognized effect of exchange rate changes and recognized financial statements translation differences of foreign operations under equity investment.

h. Recognized changes in equity under equity investment.

i. Recognized pension adjustment under equity method.

j. Reclassified credit balance of investments accounted for under equity method.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

ACQUISITION OF REAL ESTATE PROPERTIES AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL

YEAR ENDED DECEMBER 31, 2024

Table 4

(Amounts in thousands of New Taiwan dollars)

Company Name	Type of Property	Transaction Date	Transaction Amount	Status of Payment	Counterparty	Nature of Relationship	Where Counterparty is a Related Party, Details of Prior Transaction				Price Reference	Purpose of Acquisition	Other Commitments
							Former Holder of Property	Former Holder	Transfer Date	Amount			
ACIT	Land and Building (Note 1)	2024.10.21	364,605	Paid in full.	Alcantara S.p.A	-	Not applicable	Not applicable	Not applicable	Not applicable	Appraisal report and price negotiation	Own office use and renting	

Note 1：As of the end of the financial reporting period, the ownership had not been transferred and had been recognized as other non-current assets.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

YEAR ENDED DECEMBER 31, 2024

Table 5 (Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note 1)	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchases/ (Sales)	Amount	Percentage of Total Purchases/ (Sales) amount (%)	Payment Terms	Unit Price	Payment Terms	Ending Balance	Percentage of Total Notes/Trade Receivables (Payables) (%)	
ASUS	ASUTC	b	(Sales)	(22,230,226)	(4.61)	OA 90	-	-	2,529,266	2.20	
ASUS	ASGL	b	(Sales)	(450,637,103)	(93.47)	OA 180	-	-	64,178,386	55.94	
ASUS	AAEON	b	(Sales)	(840,712)	(0.17)	Month-end 30 days	-	-	101,597	0.09	
ASUS	UEI	b	(Sales)	(279,890)	(0.06)	OA 30	-	-	7,598	0.01	
ASUS	ASKEY	b	Purchases	112,597	0.03	Month-end 60 days	-	-	(16,633)	(0.02)	
ASUS	ASMEDIA	b	Purchases	521,229	0.12	Month-end 30 days	-	-	-	-	
ASUS	WT	c	Purchases	2,797,867	0.65	Month-end 60 days	-	-	(1,407,515)	(1.34)	
ASUS	ENE	d	Purchases	123,444	0.03	Month-end 60 days	-	-	(61,295)	(0.06)	
ASUTC	ASUSCLOUD	b	(Sales)	(539,552)	(2.28)	Month-end 90 days	-	-	-	-	
ASUTC	PORTWELL	c	(Sales)	(170,346)	(0.72)	Month-end 90 days	-	-	14,391	0.72	
ASGL	ACCQ	b	(Sales)	(12,988,719)	(2.66)	OA 180	-	-	738,063	0.57	
ASGL	ACI	b	(Sales)	(101,662,286)	(20.85)	OA 180	-	-	36,570,768	28.32	
ASGL	ACSH	b	(Sales)	(95,521,380)	(19.59)	OA 180	-	-	20,204,923	15.65	
ASGL	ACJP	b	(Sales)	(8,611,110)	(1.77)	OA 120	-	-	2,846,463	2.20	
ASGL	ASIN	b	(Sales)	(9,276,637)	(1.90)	OA 180	-	-	6,082,179	4.71	
ASGL	ACMH	b	(Sales)	(6,148,898)	(1.26)	OA 180	-	-	4,898,704	3.79	
ASGL	ACNL	b	(Sales)	(20,768,610)	(4.26)	OA 150	-	-	5,830,222	4.52	
ASGL	ACJK	b	(Sales)	(11,507,965)	(2.36)	OA 180	-	-	6,350,645	4.92	
ASGL	ACBT	b	(Sales)	(293,363)	(0.06)	OA 180	-	-	216,686	0.17	
ASGL	ACG	b	(Sales)	(157,886)	(0.03)	OA 90	-	-	34,845	0.03	
ASGL	ACH	b	(Sales)	(143,612)	(0.03)	OA 90	-	-	23,146	0.02	
ASMEDIA	WT	c	(Sales)	(751,556)	(9.30)	Month-end 30 days	-	-	25,381	2.76	
ASKEY	ASKEYI	b	(Sales)	(10,449,408)	(41.40)	Month-end 90 days	-	-	6,204,566	33.53	
ASKEY	ASKEYJS	b	(Sales)	(2,162,509)	NA (Note 2)	Month-end 90 days	-	-	447,717	2.42	
ASKEY	ASKEYVNBN	b	(Sales)	(10,301,094)	NA (Note 2)	Month-end 90 days	-	-	9,540,784	51.56	
ASKEY	ASKEYUK	b	(Sales)	(167,913)	(0.67)	Month-end 90 days	-	-	36,479	0.20	
ASKEY	ASKEYJS	b	Purchases	7,368,949	32.29	Month-end 90 days	Based on cost of finished goods plus related expenditure of related party	-	(6,573,965)	32.46	
ASKEY	ASKEYVNBN	b	Purchases	10,666,105	46.74	Month-end 90 days	〃	-	(9,019,468)	44.53	
ASKEY	WT	c	Purchases	141,812	0.95	OA 120	-	-	(31,686)	0.16	
ASKEYJS	WT	c	Purchases	184,463	3.13	OA 120	-	-	(34,332)	1.79	
AAEON	AAEONEI	b	(Sales)	(722,067)	(18.43)	Net 60	-	-	56,485	10.41	
AAEON	AAEONSZ	b	(Sales)	(175,869)	(4.49)	Month-end 60 days	-	-	30,742	5.67	
AAEON	AAEONEU	b	(Sales)	(1,343,664)	(34.29)	Net 60	-	-	261,251	48.15	
ONYX	ONYXHU	b	(Sales)	(179,488)	(16.29)	Month-end 90 days	-	-	59,188	25.21	
ONYX	ONYXHE	b	(Sales)	(143,672)	(13.04)	Month-end 90 days	-	-	42,953	18.30	
FUJIAN	JETWAY	b	(Sales)	(232,300)	(18.56)	Month-end 30-90 days	-	-	(26,042)	(29.82)	
JETWAY	JETWAYUS	b	(Sales)	(270,748)	(21.63)	Month-end 30-60 days	-	-	26,108	25.88	
JETWAY	JETWAYNL	b	(Sales)	(106,065)	(8.47)	Month-end 30-60 days	-	-	-	-	

Note 1： a. Parent company；b. Subsidiary；c. Associate；d. Other.

Note 2：Purchasing raw materials is for subsidiary and the related sales revenue are eliminated in the financial reports.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2024

Table 6 (Amounts in thousands of New Taiwan dollars)

Company Name	Related Party	Nature of Relationship (Note)	Ending Balance	Turnover (Times)	Overdue		Amounts Received in Subsequent Period	Loss allowance
					Amount	Action Taken		
ASUS	ASUTC	b	2,529,266	8.92	-	-	1,987,204	-
ASUS	ASGL	b	64,178,386	6.80	-	-	50,644,225	-
ASUS	AAEON	b	101,597	11.93	-	-	91,597	-
ATL	ASUS	b	167,622	1.97	-	-	-	-
ASGL	ACCQ	b	738,063	16.91	-	-	629,052	-
ASGL	ACI	b	36,570,768	2.96	-	-	19,339,617	-
ASGL	ACSH	b	20,204,923	4.69	-	-	16,751,480	-
ASGL	ACJP	b	2,846,463	4.93	-	-	1,803,910	-
ASGL	ASIN	b	6,082,179	1.25	-	-	1,568,812	-
ASGL	ACMH	b	4,898,704	1.90	1,014,866	Keep in reconciliation and dunning monthly	594,063	-
ASGL	ACNL	b	5,830,222	3.40	-	-	4,491,985	-
ASGL	ACJK	b	6,350,645	1.78	93,807	Keep in reconciliation and dunning monthly	1,143,427	-
ASGL	ACBT	b	216,686	1.40	131,872	Keep in reconciliation and dunning monthly	93,475	-
ASGL	ACIN	b	156,482	0.26	-	-	87,143	-
ASKEY	ASKEYI	b	6,204,566	3.20	-	-	950,765	-
ASKEY	ASKEYJS	b	447,717	3.36	-	-	-	-
ASKEY	ASKEYVNBN	b	9,540,784	2.02	3,537,449	Keep in reconciliation and dunning monthly	32,818	-
ASKEYJS	ASKEY	b	6,573,965	1.30	3,358,075	Keep in reconciliation and dunning monthly	344,243	-
ASKEYVNBN	ASKEY	b	9,019,468	2.39	784,811	Keep in reconciliation and dunning monthly	115,075	-
AAEON	AAEONEU	b	261,251	5.47	-	-	192,639	-

Note ：a. Parent company；b. Subsidiary；c. Associate；d. Other.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
(ONLY TRANSACTIONS AMOUNTING TO AT LEAST NT$100 MILLION ARE DISCLOSED)

YEAR ENDED DECEMBER 31, 2024

Table 7-1 (Amounts in thousands of New Taiwan dollars)

No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Account	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (%)
0	ASUS	ASUTC	a	Sales	22,230,226	OA 90	3.79
0	ASUS	ASGL	a	Sales	450,637,103	OA 180	76.76
0	ASUS	AAEON	a	Sales	840,712	Month-end 30 days	0.14
0	ASUS	UEI	a	Sales	279,890	OA 30	0.05
1	ASMEDIA	ASUS	b	Sales	521,229	Month-end 30 days	0.09
2	ASUTC	ASUSCLOUD	c	Sales	539,552	Month-end 90 days	0.09
3	ASGL	ACCQ	c	Sales	12,988,719	OA 180	2.21
3	ASGL	ACI	c	Sales	101,662,286	OA 180	17.32
3	ASGL	ACSH	c	Sales	95,521,380	OA 180	16.27
3	ASGL	ACJP	c	Sales	8,611,110	OA 120	1.47
3	ASGL	ASIN	c	Sales	9,276,637	OA 180	1.58
3	ASGL	ACMH	c	Sales	6,148,898	OA 180	1.05
3	ASGL	ACNL	c	Sales	20,768,610	OA 150	3.54
3	ASGL	ACJK	c	Sales	11,507,965	OA 180	1.96
3	ASGL	ACBT	c	Sales	293,363	OA 180	0.05
3	ASGL	ACG	c	Sales	157,886	OA 90	0.03
3	ASGL	ACH	c	Sales	143,612	OA 90	0.02
4	ASKEY	ASUS	b	Sales	112,597	Month-end 60 days	0.02
4	ASKEY	ASKEYI	c	Sales	10,449,408	Month-end 90 days	1.78
4	ASKEY	ASKEYJS	c	Sales	2,162,509	Month-end 90 days	0.37
4	ASKEY	ASKEYVNBN	c	Sales	10,301,094	Month-end 90 days	1.75
4	ASKEY	ASKEYUK	c	Sales	167,913	Month-end 90 days	0.03
5	ASKEYJS	ASKEY	c	Sales	7,368,949	Month-end 90 days	1.26
6	ASKEYVNBN	ASKEY	c	Sales	10,666,105	Month-end 90 days	1.82
7	AAEON	AAEONEI	c	Sales	722,067	Net 60	0.12
7	AAEON	AAEONEU	c	Sales	1,343,664	Net 60	0.23
7	AAEON	AAEONSZ	c	Sales	175,869	Month-end 60 days	0.03
8	ONYX	ONYXHU	c	Sales	179,488	Month-end 90 days	0.03
8	ONYX	ONYXHE	c	Sales	143,672	Month-end 90 days	0.02
9	FUJIAN	JETWAY	c	Sales	232,300	Month-end 30-90 days	0.04
10	JETWAY	JETWAYUS	c	Sales	270,748	Month-end 30-60 days	0.05
10	JETWAY	JETWAYNL	c	Sales	106,065	Month-end 30-60 days	0.02
11	ACH	ASGL	c	Service revenue	445,620	Pay on delivery	0.08
12	ACAE	ASGL	c	Service revenue	298,932	Pay on delivery	0.05
13	ACI	ASGL	c	Service revenue	984,977	Pay on delivery	0.17
14	ACCZS	ASGL	c	Service revenue	639,814	Pay on delivery	0.11
15	ACF	ASGL	c	Service revenue	512,150	Pay on delivery	0.09
16	ACG	ASGL	c	Service revenue	452,945	Pay on delivery	0.08
17	ACHK	ASGL	c	Service revenue	203,741	Pay on delivery	0.03
18	ACIN	ASGL	c	Service revenue	296,610	Pay on delivery	0.05
19	ACKR	ASGL	c	Service revenue	115,291	Pay on delivery	0.02
20	ACPL	ASGL	c	Service revenue	212,380	Pay on delivery	0.04
21	ACTH	ASGL	c	Service revenue	108,862	Pay on delivery	0.02
22	ACTR	ASGL	c	Service revenue	170,419	Pay on delivery	0.03
23	ACUK	ASGL	c	Service revenue	319,686	Pay on delivery	0.05
24	ACVN	ASGL	c	Service revenue	187,011	Pay on delivery	0.03
25	ACSH	ASGL	c	Service revenue	154,308	Pay on delivery	0.03
26	ACSZ	ASGL	c	Service revenue	2,426,127	Pay on delivery	0.41
27	ACAU	ASGL	c	Service revenue	310,087	Pay on delivery	0.05
28	ACN	ASGL	c	Service revenue	365,009	Pay on delivery	0.06
29	ACCH	ASGL	c	Service revenue	104,087	Pay on delivery	0.02
30	ACCZ	ASGL	c	Service revenue	107,219	Pay on delivery	0.02
31	ACIL	ASGL	c	Service revenue	110,454	Pay on delivery	0.02
32	ACCO	ASGL	c	Service revenue	130,922	Pay on delivery	0.02
33	ACMY	ASGL	c	Service revenue	122,943	Pay on delivery	0.02
34	ASPH	ASGL	c	Service revenue	120,764	Pay on delivery	0.02
35	ACS	ASGL	c	Service revenue	239,074	Pay on delivery	0.04
36	ACSH	ACCQ	c	Service revenue	147,244	Net 30	0.03
37	ACIB	ACNL	c	Service revenue	340,340	Pay on delivery	0.06
38	ACIT	ACNL	c	Service revenue	342,820	Pay on delivery	0.06
39	ATUS	ASUS	b	Service revenue	297,955	Net 30	0.05
40	ATL	ASUS	b	Service revenue	166,024	Net 30	0.03

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
(ONLY TRANSACTIONS AMOUNTING TO AT LEAST NT$100 MILLION ARE DISCLOSED)

DECEMBER 31, 2024

Table 7-2 (Amounts in thousands of New Taiwan dollars)

No. (Note 1)	Company Name	Related Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Account	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (%)
0	ASUS	ASUTC	a	Trade receivables	2,529,266	OA 90	0.45
0	ASUS	ASGL	a	Trade receivables	64,178,386	OA 180	11.53
0	ASUS	AAEON	a	Trade receivables	101,597	Month-end 30 days	0.02
3	ASGL	ACCQ	c	Trade receivables	738,063	OA 180	0.13
3	ASGL	ACI	c	Trade receivables	36,570,768	OA 180	6.57
3	ASGL	ACSH	c	Trade receivables	20,204,923	OA 180	3.63
3	ASGL	ACJP	c	Trade receivables	2,846,463	OA 120	0.51
3	ASGL	ASIN	c	Trade receivables	6,082,179	OA 180	1.09
3	ASGL	ACMH	c	Trade receivables	4,898,704	OA 180	0.88
3	ASGL	ACNL	c	Trade receivables	5,830,222	OA 150	1.05
3	ASGL	ACJK	c	Trade receivables	6,350,645	OA 180	1.14
3	ASGL	ACBT	c	Trade receivables	216,686	OA 180	0.04
3	ASGL	ACIN	c	Trade receivables	156,482	OA 150	0.03
4	ASKEY	ASKEYI	c	Trade receivables	6,204,566	Month-end 90 days	1.11
4	ASKEY	ASKEYJS	c	Trade receivables	447,717	Month-end 90 days	0.08
4	ASKEY	ASKEYVNBN	c	Trade receivables	9,540,784	Month-end 90 days	1.71
5	ASKEYJS	ASKEY	c	Trade receivables	6,573,965	Month-end 90 days	1.18
6	ASKEYVNBN	ASKEY	c	Trade receivables	9,019,468	Month-end 90 days	1.62
7	AAEON	AAEONEU	c	Trade receivables	261,251	Net 60	0.05
13	ACI	ASGL	c	Trade receivables	314,350	Pay on delivery	0.06
26	ACSZ	ASGL	c	Trade receivables	433,583	Pay on delivery	0.08
40	ATL	ASUS	b	Trade receivables	167,513	Net 30	0.03
41	ACJK	ASGL	c	Trade receivables	107,015	Month-end 90 days, OA 180	0.02

Note 1： ASUS and its subsidiaries are coded as follows:

a. ASUS is coded 0.

b. The subsidiaries are coded consecutively beginning from 1 in the order presented in the table above.

Note 2： Transactions are categorized as follows:

a. The parent company to subsidiary.

b. Subsidiary to parent company.

c. Subsidiary to subsidiary.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
(EXCLUDING INFORMATION ON INVESTMENTS IN MAINLAND CHINA)

YEAR ENDED DECEMBER 31, 2024

Table 8

(Amounts in thousands of New Taiwan dollars)

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2024			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of Ownership (%)	Carrying Value			
ASUS	ASKEY	Taiwan	Designing, manufacturing, repairing and selling of communication products and computer peripheral spare parts	5,021,108	5,021,108	480,000,000	100.00	99,843	(480,528)	(478,355)	Note 2
ASUS	ASUTC	Taiwan	Selling of 3C products in Taiwan	204,244	204,244	19,000,000	100.00	454,655	324,602	324,602	Note 1 and 2
ASUS	ASUSCLOUD	Taiwan	Selling and consulting of internet service	736,678	736,678	1,091,513	96.53	9,984	(35,772)	(34,530)	Note 2
ASUS	HCVC	Taiwan	Investing of computer peripherals business	1,250,000	1,100,000	129,500,000	100.00	5,260,831	345,465	345,465	Note 2
ASUS	HMI	Taiwan	Investing of computer peripherals business	680,000	680,000	80,500,000	100.00	2,543,836	201,358	201,343	Note 2
ASUS	UEI	Taiwan	Manufacturing and selling of automotive electronics and computer peripherals	66,354	66,354	21,300,000	100.00	224,640	4,649	4,649	Note 2
ASUS	TWS	Taiwan	Servicing of AI computing	540,000	540,000	27,000,000	80.60	51,312	(138,547)	(111,665)	Note 2
ASUS	ATL	Taiwan	Researching, developing and authorizing of communication technology	320,000	320,000	32,000,000	100.00	96,250	(38,385)	(38,385)	Note 2
ASUS	AMV	Taiwan	Selling of metaverse services	20,000	20,000	2,000,000	100.00	18,793	(418)	(418)	Note 2
ASUS	ASUSLC	Taiwan	Selling of internet information service	9,000	9,000	900,000	90.00	3,180	1,117	1,005	Note 2
ASUS	DATASUS	Taiwan	Investing of industrial server peripheral products business	200,000	200,000	20,000,000	100.00	164,131	(23,646)	(23,646)	Note 2
ASUS	DEEP	Taiwan	Researching, developing and selling of AI medical related software	45,030	45,030	674,908	20.63	-	(4,779)	(36,689)	Note 2
ASUS	PORTWELL	Taiwan	Manufacturing and selling of computers and computer peripherals and servicing information software	2,325,000	2,325,000	44,239,755	45.00	3,301,181	1,982,317	841,358	Note 2
ASUS	ASUSTOR	Taiwan	Researching, developing and selling of cloud computing service	84,035	93,933	6,961,620	38.04	147,734	115,304	45,823	Note 2
ASUS	GAIUS	Taiwan	Researching, developing and selling of electric motor tricycle industry	185,184	-	17,649,822	21.71	146,592	(279,215)	(38,592)	Note 2
ASUS	ACI	U.S.A	Selling of 3C products in North America	13,320	13,320	50,000	100.00	3,728,645	1,466,838	1,466,838	Note 2
ASUS	ACH	Netherlands	Repairing of 3C products	155,336	155,336	10,800,000	100.00	394,363	14,338	14,338	Note 2
ASUS	AIL	Cayman Islands	Investing of 3C and computer peripheral business	3,281,057	3,281,057	89,730,042	100.00	48,893,477	4,704,977	4,704,977	Note 1 and 2
ASUS	ASGL	Singapore	Selling of 3C products	838,070	838,070	28,000,000	100.00	58,619,701	6,152,291	6,946,186	Note 2
ASUS	QCI	Singapore	Servicing of information technology	25,290	25,290	830,001	100.00	57,702	3,003	3,003	Note 2
ASUS	ATUS	U.S.A	Researching and developing of 3C products	126,754	126,754	400,000	100.00	150,760	15,216	15,216	Note 2
ASUS and HCVC	SWI	Taiwan	Researching, developing, selling and consulting of information system software	72,146	72,146	5,469,750	51.00	76,080	(6,267)	(3,196)	Note 2
ASUS and HCVC	IUT	Taiwan	Researching, developing, manufacturing and selling of ink-jet print heads and ink-jet digital image output technology	177,743	177,743	11,323,682	69.25	147,218	25,830	17,887	Note 2
ASUS and HCVC	UPI	Taiwan	Designing, researching, developing and selling of integrated circuits	427,761	427,761	23,138,905	22.10	4,121,528	229,993	51,915	Note 2
ASUS and HCVC	MEDUS	Taiwan	Servicing of information system technology	61,540	25,500	5,900,000	100.00	69,830	8,716	6,730	Note 2
ASUS and HCVC	SHINYOPTICS	Taiwan	Researching, developing, manufacturing and selling of virtual image optical engines and vehicle head-up displays	36,987	36,987	1,232,900	83.30	20,514	(9,159)	(7,630)	Note 2
ASUS and HCVC	IMOZEN	Taiwan	Investing of AI and OPC peripherals business	330,000	330,000	8,741,040	23.53	51,196	(47,028)	(9,404)	Note 2
ASUS and HCVC	ACBT	Indonesia	Selling of 3C products in Indonesia	1,126,979	1,126,979	4,211,100	100.00	-	(22,443)	(22,443)	Note 2 and 3
ASUS and HCVC	ACJK	Indonesia	Selling of 3C products in Indonesia	374,569	259,576	12,100	100.00	-	(1,127,575)	(1,127,575)	Note 2 and 3
ASUS and HCVC	LELTEK	Taiwan	Investing of handheld ultrasound solutions business	136,054	-	5,171,060	22.78	126,751	(32,463)	(6,801)	Note 2
ASUS、HCVC and HMI	ASMEDIA	Taiwan	Designing, researching, developing and manufacturing of high-speed analog circuit	342,673	342,673	31,775,315	42.58	14,130,834	3,732,625	1,255,688	Note 2
ASUS、HCVC and HMI	EMC	Taiwan	Designing, manufacturing and selling of computer peripheral spare parts	81,060	81,060	6,359,548	12.50	407,189	327,262	14,456	Note 2
ASUS、HCVC and HMI	AAEON	Taiwan	Manufacturing and selling of industrial computers and computer peripherals	3,357,568	3,357,568	63,482,936	37.46	5,586,497	967,670	262,003	Note 2

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2024			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of Ownership (%)	Carrying Value			
ASUS、HCVC and HMI	JPX	Taiwan	Designing and selling of computer peripheral spare parts	20,000	20,000	4,000,000	11.44	919	(48,195)	(2,883)	Note 2
ASUS、HMI and AAEON	ONYX	Taiwan	Designing, manufacturing and selling of medical computers	245,386	245,386	21,058,613	54.53	829,875	182,629	9,221	Note 2 and 4
ASUS、HCVC and ASUSCLOUD	ASUSMAAS	Taiwan	Researching, developing and selling of smart parking system and charging piles	180,000	60,000	18,000,000	100.00	104,998	(37,063)	(24,709)	Note 2
ASUS and ASTP	ASIN	India	Selling of 3C products in India	222,200	208,103	33,500,000	100.00	-	261,603	-	Note 2 and 3
ASUS and ASTP	ACIN	India	Supporting and repairing of 3C products in India	271,049	253,853	20,134,400	100.00	442,561	48,478	-	Note 2
ASKEY	ECOLAND	Taiwan	Planning and design integration of ecology, architecture and energy	21,840	21,840	780,000	33.91	-	(2)	-	Note 2 and 3
ASKEY	ASKEYDT	Taiwan	Selling and servicing of communication products	30,000	30,000	3,000,000	100.00	30,422	111	-	Note 2
ASKEY	WONDA	Taiwan	Manufacturing and designing of wired and wireless communication, electronic parts products, etc.	65,344	65,344	9,242,232	100.00	53,117	1,933	-	Note 2
ASKEY	ASKEYI	U.S.A	Selling and servicing of communication products	307,607	307,607	10,000,000	100.00	101,750	29,493	-	Note 2
ASKEY	DIC	British Virgin Islands	Investing of communication business	271,695	271,695	8,160,172	100.00	97,114	3,011	-	Note 2
ASKEY	MIC	British Virgin Islands	Investing of communication business	3,752,306	3,752,306	114,942,014	100.00	3,420,971	(23,055)	-	Note 2
ASKEY	ASKEYUK	U.K.	Selling and servicing of communication products	37,740	37,740	1,000,000	100.00	39,909	6,986	-	Note 2
ASKEY	ASKEYVNBN	Vietnam	Manufacturing and selling of communication products	620,804	258,549	-	100.00	798,124	232,692	-	Note 2
ASKEY and ASKEYDT	DNS	Mexico	Selling and servicing of communication products	923	-	500,000	100.00	402	(428)	-	Note 2
ASKEY and MIC	ASKEYBR	Brazil	Selling and servicing of communication products	33,954	31,800	3,700,000	100.00	6,669	252	-	Note 2
ASKEY and WISE	ASKEYFR	France	Selling and servicing of communication products	184,241	181,439	4,818,090	100.00	79,472	(4,590)	-	Note 2
DIC	WISE	Hong Kong	Investing of communication business	44,309	41,498	1,600,000	100.00	12,900	(743)	-	Note 2
MIC	MAGICOM	Cayman Islands	Investing of communication business	2,984,419	2,795,076	91,030,000	100.00	3,872,415	40,102	-	Note 2
MIC	ASKEYCG	Germany	Selling and servicing of communication products	4,290	4,018	100,000	100.00	7,032	1,820	-	Note 2
MIC	ASKEYTH	Thailand	Selling and servicing of communication products	2,056	1,925	20,000	100.00	1,174	(272)	-	Note 2
MIC	ASKEYJP	Japan	Selling and servicing of communication products	1,541	1,444	500,000	100.00	-	213	-	Note 2 and 3
ASMEDIA	WT	Taiwan	Agent selling of semiconductor and electronic components	8,307,440	6,624,000	188,720,421	16.90	17,329,163	8,981,240	-	Note 2
ASMEDIA	XINPAL	Singapore	Designing and developing of high performance computing IC	112,998	-	37,500,000	30.00	96,037	(76,347)	-	Note 2
ASUSCLOUD	ASUSCLOUDSG	Singapore	Investing of internet service business	24,853	24,853	-	100.00	48	(286)	-	Note 2
ASUSCLOUD	ASUSCLOUDLB	Luxembourg	Maintaining and operating service of information hardware	18,065	18,065	-	100.00	3,638	129	-	Note 2
HMI	JOGEEK	Taiwan	Selling and repairing of information software and electronic information materials	30,000	30,000	3,000,000	100.00	26,656	2,159	-	Note 2
DATASUS	DATASUSUS	U.S.A	Manufacturing and selling of industrial server peripheral products	190,575	93,225	600,000	100.00	159,842	(28,484)	-	Note 2
AAEON	AAEONI	Taiwan	Investing of industrial computers and computer peripherals business	150,000	150,000	15,000,000	100.00	139,553	(1,941)	-	Note 2
AAEON	LITEMAX	Taiwan	Selling of computer peripherals	70,218	70,218	5,015,050	11.86	119,749	191,145	-	Note 2
AAEON	IBASE	Taiwan	Manufacturing and selling of industrial motherboard	3,498,501	3,498,501	52,921,856	26.70	3,251,957	588,282	-	Note 2
AAEON	JETWAY	Taiwan	Manufacturing and selling of industrial motherboard and computer peripherals	892,468	958,247	19,845,958	35.29	860,400	191,786	-	Note 2
AAEON	AAEONEI	U.S.A	Selling of industrial computers and computer peripherals	160,647	150,455	490,000	100.00	351,164	(6,512)	-	Note 2
AAEON	AAEONTCL	British Virgin Islands	Investing of industrial computers and interface cards business	288,741	270,422	8,807,097	100.00	145,394	(47,489)	-	Note 2
AAEON	AAEONEU	Netherlands	Selling of industrial computers and computer peripherals	3,414	3,398	-	100.00	85,328	(13,570)	-	Note 2
AAEON	AAEONSG	Singapore	Selling of industrial computers and computer peripherals	14,076	13,586	465,840	100.00	67,729	(470)	-	Note 2
AAEONEU	AAEONG	Germany	Selling of industrial computers and computer peripherals	1,024	1,019	-	100.00	24,642	1,618	-	Note 2
ONYX	IHELPER	Taiwan	Researching, developing and selling of medical robots	16,560	16,560	1,656,000	46.00	6,955	(65)	-	Note 2
ONYX	WINMATE	Taiwan	Bidding and distribution of liquid crystal display application equipment and modules	568,585	568,585	10,244,000	12.85	649,524	557,739	-	Note 2
ONYX	PROTECTLIFE	Taiwan	Manufacturing and wholesaling of medical equipment and consumables	47,928	44,380	2,324,000	11.08	33,535	(44,020)	-	Note 2

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2024			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of Ownership (%)	Carrying Value			
ONYX	ONYXHU	U.S.A	Selling of medical computers and peripherals	65,570	61,410	200,000	100.00	90,634	(2,708)	-	Note 2
ONYX	ONYXHE	Netherlands	Marketing support and repairing of medical computers and peripherals	3,414	3,398	100,000	100.00	35,937	26,578	-	Note 2
JETWAY	JETWAYUS	U.S.A	Selling and repairing of computer peripheral equipment	124,583	116,679	380	100.00	203,720	26,088	-	Note 2
JETWAY	JETWAYNL	Netherlands	Selling and repairing of computer peripheral equipment	729	676	40	100.00	27,729	5,125	-	Note 2
JETWAY	JETWAYFE	British Virgin Islands	Investing of computer peripherals business	101,130	94,714	3,084,634	100.00	125,483	1,819	-	Note 2
JETWAY	TOPNOVEL	Seychelles	Investing of computer peripherals business	580,311	543,494	17,700,500	100.00	476,388	34,107	-	Note 2
JETWAYFE	SCORETIME	British Virgin Islands	Investing of computer peripherals business	99,490	93,178	3,034,634	100.00	124,494	1,806	-	Note 2
TOPNOVEL	CANDID	Seychelles	Investing of computer peripherals business	558,984	523,520	17,050,000	100.00	472,479	33,810	-	Note 2
AIL	CHANNEL	British Virgin Islands	Investing of 3C business	984,632	922,163	30,033,000	100.00	49,564,004	4,641,937	-	Note 2
CHANNEL	ASTP	Singapore	Investing of 3C business	983,632	921,227	44,419,424	100.00	48,194,260	1,561,718	-	Note 2
CHANNEL and ASTP	ACAE	United Arab Emirates	Supporting and repairing of 3C products in Middle East	96,487	90,366	107	100.00	123,977	7,563	-	Note 2
CHANNEL and ASTP	ACEG	Egypt	Supporting of 3C products in Egypt	-	-	-	100.00	1,528	481	-	Note 2
CHANNEL and ASTP	ASID	Indonesia	Repairing of 3C products in Asia-pacific and America	49,178	46,058	1,500,000	100.00	61,296	8,340	-	Note 2
CHANNEL、ASTP and ACNL	ACTH	Thailand	Supporting of 3C products in Thailand	19,356	18,128	25,000	100.00	44,001	3,477	-	Note 2
CHANNEL、ASTP and ACNL	ASTH	Thailand	Repairing of 3C products in Thailand	23,094	21,629	240,000	100.00	45,248	6,244	-	Note 2
ASTP	ACG	Germany	Selling and supporting of 3C products in Germany	3,105	2,908	-	100.00	232,900	17,487	-	Note 2
ASTP	ACF	France	Supporting of 3C products in France	1,635	1,531	5,300	100.00	98,536	6,337	-	Note 2
ASTP	ACUK	U.K.	Supporting of 3C products in United Kingdom	2,958	2,771	50,000	100.00	101,868	11,612	-	Note 2
ASTP	ACHK	Hong Kong	Supporting and repairing of 3C products in Hong Kong	292,345	1,976	69,500,000	100.00	328,100	3,125	-	Note 2
ASTP	ACKR	South Korea	Supporting and repairing of 3C products in South Korea	11,342	10,622	158,433	100.00	56,955	(1,880)	-	Note 2
ASTP	ACNL	Netherlands	Selling of 3C products	19,087	17,876	375,000	100.00	2,314,729	226,828	-	Note 2
ASTP	ACVN	Vietnam	Supporting and repairing of 3C products in Vietnam	2,623	2,456	-	100.00	55,029	9,655	-	Note 2
ASTP	ACIB	Spain	Supporting of 3C products in Spain	72,565	67,961	3,000	100.00	338,360	60,666	-	Note 2
ASTP	ACJP	Japan	Selling of 3C products in Japan	80,245	75,154	20,500	100.00	512,025	55,293	-	Note 2
ASTP	ASAU	Australia	Repairing of 3C products in Australia	31,647	29,639	950,000	100.00	92,351	7,544	-	Note 2
ASTP	ACAU	Australia	Supporting of 3C products in Australia	11,829	11,079	350,000	100.00	101,307	30,693	-	Note 2
ASTP	ACIL	Israel	Supporting of 3C products in Israel	426	399	50,000	100.00	32,581	6,795	-	Note 2
ASTP	ACCO	Colombia	Supporting of 3C products in Colombia	984	921	74,489	100.00	10,576	2,248	-	Note 2
ASTP	ACZA	South Africa	Supporting and repairing of 3C products in Africa	29,168	2	-	100.00	42,273	3,130	-	Note 2
ASTP	ACMY	Malaysia	Supporting and repairing of 3C products in Malaysia	3,831	3,588	500,000	100.00	31,035	1,389	-	Note 2
ASTP	ACCL	Chile	Supporting of 3C products in Chile	56	53	1,000	100.00	10,752	2,579	-	Note 2
ASTP	ASPH	Philippines	Supporting and repairing of 3C products in Philippines	6,918	6,479	1,119,998	100.00	14,052	(1,317)	-	Note 2
ASTP	APVN	Vietnam	Leasing and trading of real estate	491,775	460,575	-	100.00	479,751	12,720	-	Note 2
ASTP and ACNL	A25	Russia	Selling of 3C products in Russia	4	4	-	100.00	4,730	(3,996)	-	Note 2
ASTP and ACNL	ACPE	Peru	Supporting of 3C products in Peru	41,457	38,849	4,195,740	100.00	41,532	2,520	-	Note 2
ASTP and ACNL	ACMH	Mexico	Selling of 3C products in Mexico	124,745	116,891	51,250	100.00	198,263	(87,175)	-	Note 2
ASTP and ACNL	ACBZ	Brazil	Selling of 3C products in Brazil	6,462,261	6,052,290	549,469,000	100.00	4,322,622	410,928	-	Note 2
ACNL	ACHU	Hungary	Supporting of 3C products in Hungary	1,707	1,699	-	100.00	15,403	2,117	-	Note 2
ACNL	ACPT	Portugal	Supporting of 3C products in Portugal	1,024	1,019	30,000	100.00	21,885	2,233	-	Note 2
ACNL	ACCH	Switzerland	Supporting of 3C products in Switzerland	7,802	7,765	3,400	100.00	26,154	4,014	-	Note 2
ACNL	ACN	Sweden	Supporting of 3C products in North Europe	1,088	1,083	3,000	100.00	91,772	16,085	-	Note 2
ACNL	ACTR	Turkey	Supporting and repairing of 3C products in Turkey	154,267	153,554	50,741	100.00	234,189	161,355	-	Note 2

Investor Company	Investee Company	Location	Main Businesses	Original Investment Amount		December 31, 2024			Net Income (Loss) of the Investee	Share of Profit/Loss of Investee	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of Ownership (%)	Carrying Value			
ACNL	ACPL	Poland	Supporting of 3C products in Poland	49,695	49,466	1,000	100.00	86,701	7,884	-	Note 2
ACNL	ACIT	Italy	Supporting of 3C products in Italy	377,168	1,631	-	100.00	457,085	49,387	-	Note 2
ACNL	ACCZ	Czech Republic	Supporting of 3C products in Czech Republic	267	266	-	100.00	37,325	5,045	-	Note 2
ACNL	ACCZS	Czech Republic	Repairing of 3C products in Europe	126,199	125,615	-	100.00	324,889	21,577	-	Note 2
ACNL	ACUKR	Ukraine	Supporting of 3C products in Ukraine	10,023	9,977	-	100.00	14,496	2,364	-	Note 2

Note 1：Original investment amount excludes other interest oriented from shareholders' stock trust which distributes to employees.

Note 2：According to regulation, only disclose the share of profit / loss of investee recognized by ASUS.

Note 3：Credit balance of investments accounted for under equity method is transferred to other liabilities - non-current.

Note 4：Percentage of ownership represents controlling shareholding ratio but not the comprehensive shareholding ratio.

ASUSTEK COMPUTER INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

YEAR ENDED DECEMBER 31, 2024

Table 9 (Amounts in thousands of New Taiwan dollars and foreign currencies)

Investee Company	Main Businesses	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Beginning Balance of Accumulated Outflow of Investment from Taiwan	Investment Flows		Ending Balance Accumulated Outflow of Investment from Taiwan	Net Income (Loss) of the Investee Company	Percentage of Ownership (%)	Investment Income (Loss) Recognized in Current Period (Note 2 a and b)	Carrying Amount as of December 31, 2024 (Note 2 a and b)	Ending Balance of Accumulated Inward Remittance of Earnings	Note (Note 1 b)
					Outflow	Inflow							
ACSH	Selling of 3C products in China	7,150,409	b	1,576,959	-	-	1,576,959	723,169	100.00	723,169	3,597,660	-	ASTP Invested
ACS	Repairing of 3C products	65,570	b	65,570	-	-	65,570	6,726	100.00	6,726	100,714	-	ASTP Invested
ASKEYJS	Manufacturing and selling of communication products	2,950,650	b	2,950,650	-	-	2,950,650	38,518	100.00	38,518	3,828,571	-	MAGICOM Invested
AAEONSZ	Manufacturing and selling of industrial computers and interface cards	284,911	b	284,911	-	-	284,911	(47,613)	100.00	(47,613)	149,278	-	AAEONTCL Invested
EMES	Selling and consulting of information system software	9,836	a	9,836	-	-	9,836	4,276	100.00	4,276	30,003	-	-
ASKEYSH	Researching, developing and selling of communication products	98,355	b	98,355	-	-	98,355	5,843	100.00	5,843	10,857	-	MIC Invested
ACSZ	Researching and developing of 3C products	1,606,465	b	1,606,465	-	-	1,606,465	146,034	100.00	146,034	2,301,547	-	ASTP Invested
FUJIAN	Manufacturing and selling of computer and peripheral equipment	557,345	b	557,345	-	-	557,345	33,680	100.00	33,680	470,772	-	CANDID Invested
ACCQ	Selling of 3C products in China	2,262,165	b	2,262,165	-	-	2,262,165	374,548	100.00	374,548	5,733,982	-	ASTP Invested
ACISZ	Leasing of real estate	1,161,209	c	-	-	-	-	(12,072)	100.00	(12,072)	976,758	-	-
ONYXSH	Selling of medical computers and peripherals	72,127	a	72,127	-	-	72,127	(2,340)	100.00	(2,340)	1,146	-	-
JSCD	Participating and promoting of professional eSports	673,900	a	673,900	-	-	673,900	(202,520)	100.00	(202,520)	369,531	-	-
JRCD	Participating and promoting of professional eSports	22,392	c	-	-	-	-	(3,082)	100.00	(3,082)	12,184	-	-

Company Name	Ending Balance of Accumulated Investment in Mainland China	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
ASUS	6,907,879 USD 210,702	12,691,153 USD 387,102	178,318,511
ASKEY	3,472,659 USD 105,922	3,472,659 USD 105,922	(Note 3)
AAEON	284,911 USD 8,690	284,911 USD 8,690	7,265,080
SWI	9,836 USD 300	11,147 USD 340	89,506
ONYX	72,127 USD 2,200	72,127 USD 2,200	931,655
JETWAY	557,345 USD 17,000	557,345 USD 17,000	800,119

Note 1：The methods for engaging in investment in Mainland China include the following:

a. Direct investment in Mainland China.

b. Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of the company in third region).

c. Other methods.

Note 2：The investment income (loss) recognized in current period:

Please specify no investment income (loss) has been recognized due to the investment is still during development stage.

The investment income (loss) were determined based on the following basis:

a. The financial report was audited by an international accounting firm in cooperation with an R.O.C. accounting firm.

b. Others.

Note 3：In accordance with the “Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China”, there is no upper limit on investment.

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