AAEON Technology Inc and Subsidiaries Consolidated Financial Statements With Independent Auditor's Report Thereon December 31, 2024 and 2023 (Stock Code: 6579)

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The independent 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.

AAEON Technology Inc. and Subsidiaries

Consolidated Financial Statements

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AAEON Technology Inc. and Subsidiaries

REPRESENTATION LETTER

The entities that are required to be included in the consolidated financial statements of affiliates in

accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business

Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended

December 31, 2024 are all the same as those included in the consolidated financial statements of

AAEON Technology Inc. and its subsidiaries prepared in conformity with the International

Financial Reporting Standard 10"Consolidated Financial Statements". Relevant information that

should be disclosed in the consolidated financial statements of affiliates is included in the

consolidated financial statements of AAEON Technology Inc. and its subsidiaries. Hence, we did

not prepare a separate set of consolidated financial statements of affiliates.

Hereby certify.

Company Name: AAEON Technology Inc.

Representative: Yung-Shun Chuang

February 27, 2025

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INDEPENDENT AUDITORS' REPORT

(2025) Tsai-Shen-Bao-Tzi No.24003483

To the Board of Directors and Shareholders of AAEON Technology Inc.:

Opinion

We have audited the accompanying consolidated balance sheets of AAEON Technology 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, (please refer to the "Other Matters"), 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.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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 audits of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audits 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 consolidated financial statements in the current period are stated as follows:

Existence of sales revenue

Description

Refer to Note 4(31) for the accounting policies on revenue recognition, and Note 6(19) for the details of operating revenue.

The Group is primarily engaged in the design, manufacturing, and sale of industrial computers and peripherals. As product project orders are susceptible to the product project cycles of customers, efforts are required to explore new markets and undertake new project orders. Therefore, the revenue from products may vary due to market trends in each period. Referring to industry reports and information from peers, the overall market trend has declined this period, while revenue from certain products has grown significantly. Consequently, we consider the existence of the

aforementioned sales revenue as one of the most important audit matters for the current year.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

- 1. Assess and test the financial statements, the internal control procedures of sales transactions are based on the Group's internal control system.
- 2. Acquire and sample-check relevant documents of the aforementioned sales revenue transactions to confirm that customers have obtained control of the goods and assumed the risks of the goods before recognizing revenue.

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 estimate and assumptions for evaluation of inventories, and Note 6(5) for the details of inventory.

The Group is primarily engaged in design, manufacturing and sales of industrial computers, medical computers and peripherals. Given long production cycle of industrial computer and medical computer products, some products or spare parts have long inventory period due to long-term supply and maintenance needs of customers. The order adjustments or lower-than-expected market conditions may lead to fluctuations in product prices or low inventory correction, which may result in higher risk in inventory devaluation or obsolescence. The Group's inventories are measured at the lower of inventory cost and net realizable value. For the inventories that exceeds its age and are individually identified to be out of date and obsolete, losses based on the policy of allowance for inventory impairment are recognized through individual assessment.

Corresponding the sales market and development strategies, the Group readily adjusts its stocking demands, with significant inventory balances as industrial computers and medical computers are the main products. In addition, given high uncertainty from the management's subjective estimates on the net realizable value used in evaluating obsolete inventories, the allowance for inventory devaluation is listed 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. Assess the policy on allowance for inventory valuation loss based on our understanding of the operations and industry of the Group.
- 2. Inspect the managements individually identified out-of-date inventory list and checked the related supporting documents.
- 3. Test the basis of market value used in calculating the net realizable valued of inventory and validated the accuracy of net realizable value calculation of selected samples.

Other matters – Reference to the audits of other independent auditors

We did not audit the financial statement of certain investments accounted for under equity method. These investments accounted for under equity method amounted to \$4,021,229 thousand and \$4,104,236 thousand, constituting 28.07% and 28.55% of total assets as of December 31, 2024 and 2023, respectively, and the comprehensive income of subsidiaries, associates, and joint ventures accounted for under equity method amounted to \$189,468 thousand and \$261,687 thousand, respectively, constituting for 15.19% and 21.21% of total comprehensive income for the years ended December 31,2024 and 2023 respectively. The financial statements of these investments

accounted for under equity method 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 separate financial statements and information disclosed relative to these investments, is based solely on the reports of other independent auditors.

Other matters - Parent company only financial reports

We have audited and expressed an unmodified opinion with Other Matters section on the parent company only financial statements of AAEON Technology 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 requirements of the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, as endorsed by 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 auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with 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

- 5. related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Group and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Group and its subsidiaries to cease to continue as a going concern.
- 6. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 7. 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 audits.

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 2024 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan Certified Public Accountant

Chang, Shu-Chiung

Lin, Chun-Yao

(Formerly known as) Financial Supervisory Commission, Executive

Approval reference: FSC No. 0990042602

(Formerly known as) Securities and Futures Commission, The Ministry of Finance

Approval reference: (85) Taiwan Finance Certificate (6) No. 68702

February 27, 2025

Note to Readers

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

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



			 December 31, 2024	<u>. </u>		December 31, 2023	3
	Assets	Notes	 Amount			Amount	<u>%</u>
	Current asset						
1100	Cash and cash equivalents	6. (1)	\$ 4,270,200	30	\$	4,347,976	30
1110	Financial asset at fair value through	6. (2)					
	profit or loss - current		625,020	4		423,284	3
1136	Financial assets measured at	8					
	amortized cost-current		90,552	1		62,331	1
1150	Net notes receivable	6. (4)	45,323	_		13,400	-
1170	Net accounts receivable	6. (4) and 7	832,074	6		919,566	6
1200	Other receivables	7	27,186	-		17,377	-
1220	Current tax assets		25,397	-		2,084	-
130X	Inventories	6. (5)	1,319,736	9		1,491,105	10
1410	Prepayments		96,765	1		105,134	1
1479	Other current liabilities - other		 5,147			4,747	
11XX	Total current assets		 7,337,400	51	_	7,387,004	51
	Non-current assets						
1510	Financial assets at fair value through	6. (2)					
	profit or loss - non-current		121.611	1		62,631	-
1517	Financial assets at fair value through	6. (3)					
	other comprehensive income -						
	non-current		151,048	1		68,756	1
1550	Investments accounted for under	6. (6), 7					
	equity method		4,054,764	28		4,138,921	29
1600	Property, plant and equipment	6. (7), 7 and 8	1,388,010	10		1,519,684	11
1755	Right-of-use assets	6. (8)	196,667	1		186,616	1
1760	Investment property	6. (9) and 8	342,425	3		191,792	1
1780	Intangible assets	6.(10) and 7	628,111	4		700,153	5
1840	Deferred tax assets	6. (25)	70,435			88,741	
1900	Other non-current assets	8	70,433	1		88,741	1
1900	Other hon-current assets	0	 35,771			33,360	
15XX	Total non-current assets		 6,988,842	49		6,990,654	49
1XXX	Total assets		\$ 14,326,242	100	\$	14,377,658	100

(Continued)



				December 31, 2024	1	December 31, 2023		
	Liabilities and equity	Notes		Amount	<u>%</u>	Amount	_%_	
	Current liability							
2100	Short-term borrowings	6. (11) and 8	\$	80,000	1	\$ 27,000	-	
2120	Financial liabilities at fair valu	ie 6. (2)						
2120	through profit or loss - current	((10)		391	-	-	-	
2130	Contract liability - current	6. (19)		233,296	2	225,564	2	
2150	Notes payables			-	-	2	-	
2170	Accounts payables			383,504	3	452,725	3	
2180	Accounts payables-related parties	7		75,241	-	69,941	1	
2200	Other payables	6. (13), and 7		667,921	5	672,350	5	
2230	Current tax liabilities			60,537	-	105,243	1	
2250	Provisions - current			33,790	_	41,519	_	
2280	Lease liability - current			63,746	_	44,717	_	
2320	Long-term liabilities-current	6. (12), 8						
	Portion			10,612	-	10,476	-	
2399	Other current liabilities - other			41,071		47,941		
21XX	Total current liabilities			1,650,109	11	1,697,478	12	
	Non-current liabilities							
2527	Contract liability - non-current	6. (19)		56,211	-	58,686	-	
2540	Long-term borrowings	6. (12), 8		123,947	1	134,499	1	
2550	Provisions - non-current	((()		13,359	-	14,507	-	
2570	Deferred tax liabilities	6. (25)		262,468	2	230,873	2	
2580	Lease liability - non-current			97,179	1	103,720	1	
2670	Other non-current liabilities - other			14,502		16,500		
25XX	Total non-current liabilities			558,785	4	558,785	4	
2XXX	Total liabilities			2,217,775	15	2,256,263	16	
	Equity Equity attributable to owners	of						
	parent	01						
	Share capital	6. (16)						
3110	Share capital-common stock			1,693,692	12	1,602,418	11	
3140	Advance receipts for share capital			820	-	1,660	-	
	Capital surplus	6. (15) (17)						
3200	Capital surplus			6,421,230	45	6,421,702	45	
2210	Retained earnings	6. (18)		(74.600	_	577.044		
3310 3320	Legal reserve Special reserve			674,628 12,359	5	577,944 12,359	4	
3350	Undistributed retained earnings			1,159,106	8	1,331,564	9	
	Other Equity			-,,		-,		
3400	Other Equity			146,554	1	62,953	_	
31XX	Total equity attributable	to						
	owners of parent			10,099,389	71	10,010,600	69	
36XX	Non-controlling interests	4. (3)		2,009,078	14	2,110,795	15	
3XXX	Total equity			12,108,467	85	12,121,395	84	
	Significant contingent liabilities an							
	unrecognized contract commitments							
	Significant events after the balance sheet date	ce 11						
3X2X	Total liabilities and equity		\$	14,326,242	100	\$ 14,377,658	100	
J. 1211	moments und equity		-	1.,520,212		- 11,577,000		

The accompanying notes are an integral part of these consolidated financial statements.

Chairman: Yung-Shun Chuang

s are an integral part of these I Manager: Chien-Hung Lin

Accounting Supervisor: Jen-Chung Wang



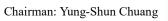
AAEON Technology Inc. and Subsidiaries CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (Expressed In Thousands of New Tajwan Dollars, Except Earnings Per Share)

		_	NO STREET, STR	2024		2023	
	Item	Notes		Amount	%	Amount	%
4000	Operating income	6. (19), 7	\$	7,186,031	100 \$	8,073,203	100
5000	Operating cost	6. (5) (23)					
		(24), and 7	(4,607,399) (_	64)(5,238,829) (_	65)
5900	Operating profit			2,578,632	36	2,834,374	35
	Operating expenses	6. (23)(24) and 7					
6100	Selling expense		(764,222) (10)(715,843) (9)
6200	General and administrative						
	expenses		(553,126)(8)(489,745) (6)
6300	Research and development						
	expenses		(709,691) (10)(624,360) (8)
5450	Expected credit impairment le	oss 12. (2)					
	or (gain)		(3,745)		1,997	
5000	Total operating expense		(2,030,784)(_	28)(1,827,951) (23)
6900	Operating income			547,848	8	1,006,423	12
	Non-operating income	and					
	expenses						
7100	Interest income			145,009	2	75,796	1
7010	Other income	6. (20)		36,529	-	32,228	-
7020	Other gains and losses	6. (21)		486,839	7	156,362	2
7050	Financial costs	6. (22)	(8,582)	- (6,462)	_
7060	Share of the profit of the	6. (6)		~1′	l~		
	associates and joint ventures						

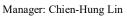
AAEON Technology Inc and Subsidiaries CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (Expressed In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Item Notes		2024				2023			
				%		Amount	%			
	Other comprehensive income									
	(loss)									
	Components of other comprehensive									
	income (loss) that will not be									
	reclassified to profit or loss									
8311	Gains (losses) on	6 (14)								
	remeasurements of defined	` /								
	benefit plans		\$	950	_	\$	422	_		
8316		6. (3)								
	financial assets at FVOCI	(c)		3,676	_	(5,394)	_		
8320	Share of other comprehensive	6. (6)		2,0.0		(-,-, ,			
	income of associates and joint									
	ventures accounted for under									
	equity method - not to be									
	reclassified to profit or loss in									
	subsequent periods			35,322			76,426	1		
8349	Income tax relating to items that	6 (25)		33,322	-		70,420	1		
0349	will not be reclassified	0. (23)	(100)		(86)			
9210				190)						
8310	Total amount not to be									
	reclassified to profit or loss			20.750			71.260			
	in subsequent periods			39,758			71,368	1		
	To be reclassified to profit or loss									
	in subsequent periods									
8361	Financial statements translation									
	differences of foreign operations			75,996	1	(10,755)	-		
8370	Share of other comprehensive	6. (6)								
	income of associates and joint									
	ventures accounted for under									
	equity method - to be									
	reclassified to profit or loss in									
	subsequent periods			7,104	-		3,985	-		
8399	Income tax relating to the	6. (25)								
	components of other	,								
	comprehensive income		(15,199)	_		2,152	_		
8360	Total amount to be									
0200	reclassified to profit or loss									
	in subsequent periods			67,901	1	(4,618)	_		
8300	Net Other comprehensive income		\$	107,659	1	\$	66,750	1		
8500	Total comprehensive income		\$	1,247,079	17	\$	1,234,000	15		
8300	-		<u>_</u>	1,247,079	1 /	Φ	1,234,000	13		
0.610	Net income attributable to:			0.66.0		Φ.	0.60.04.5			
8610	Shareholders of the parent		\$	966,877	14	\$	969,345	12		
8620	Non-controlling interest			172,543	2		197,905	2		
			\$	1,139,420	16	\$	1,167,250	14		
	Total comprehensive income									
	attributable to:									
8710	Shareholders of the parent		\$	1,050,478	14	\$	1,042,289	13		
8720	Non-controlling interest			196,601	3		191,711			
	Z.		\$	1,247,079	17	\$	1,234,000	2 15		
				,,		-				
	Basic earnings per share	6. (26)								
9750	Total basic earnings per share	0. (20)	\$		7.72	\$		8.03		
9130		((2()			1.12	Φ		6.03		
0050	Diluted earnings per share	6. (26)								
9850	Total diluted earnings per									
	share				7.67	\$		7.92		

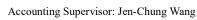
The accompanying notes are an integral part of these consolidated financial statements.















		Equity attributable to owners of the parent											
		Share (Capital		R	etained Earnir	igs		Other Equity				
	Notes	Common share capital	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Undistributed retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) form financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Non-controlling interests	Total
For the year ended December 31, 2023	Notes	share capital	Share capital	surpius	Legarreserve	reserve	carnings	operations	meome	benefit plans	Total	interests	Total
Balance at January 1, 2023		\$ 1,490,825	\$ 1,430	\$ 5,461,370	\$ 470,533	\$ 64,805		(\$ 21,405)	\$ 11,177	(\$ 2,131)	\$ 8,642,423	\$ 720,475	\$ 9,362,898
Profit fo the period		-	-	-	-	-	969,345	-	-	-	969,345	197,905	1,167,250
Other comprehensive income					<u>-</u>			742	72,083	119	72,944 ((6,194)	66,750
Total comprehensive income							969,345	742	72,083	119	1,042,289	191,711	1,234,000
Appropriations of 2022 earnings:	6. (18)												
Legal reserve		-	-	-	107,411	-	(107,411)	-	-	-	-	-	-
Special reserve		-	-	-	-	(52,446)	52,446	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	(746,127)	-	-	-	(746,127)	-	(746,127)
Issuance of new shares in exchange for other company's shares	6. (16) (17)	105,233	-	848,183	-	-	-	-	-	-	953,416	-	953,416
Recognition of changes in ownership interest in subsidiaries	6. (17)	_	_	(3,935)	_	_	-	-	-	-	(3,935)	3,935	-
Effect from long-term investment that has not been recognized based on shareholding percentage	6. (6)(17)	_	_	162	_	_	-	-	-	-	162	-	162
Change in associates and joint ventures accounted for under equity method	6. (6) (17)	_	_	64,235	_	_	_	_	_	_	64,235	_	64,235
Share-based Payment	6. (15) (17)	_	_	4,728	_	_	(140)	_	_	_	4,588	1,842	6,430
Employee stock options exercised	6. (15) (17)	6,360	230	46,959	_	_		_	_	_	53,549	15,776	69,325
Disposal of financial assets at fair value through other comprehensive income	- (-) (-)	-	-	-	-	_	(2,368)	_	2,368	-	-	<u>-</u>	-
Changes in non-controlling interests-subsidiary acquisition	6 (27)	-	-	-	-	_	-	-	-	-	-	1,383,476	1,383,476
Changes in non-controlling interests- cash dividend	s 4 (3)	-	-	-	-	-	-	-	-	-	-	(206,420)	(206,420)
Balance at December 31, 2023		\$ 1,602,418	\$ 1,660	\$ 6,421,702	\$ 577,944	\$ 12,359	\$1,331,564	(\$ 20,663)	\$ 85,628 (\$ 2,112)	\$ 10,010,600	\$ 2,110,795	\$12,121,395

(Continued)



			Equity attributable to owners of the parent										
		Share	Capital		F	Retained Earnin	gs			r Equity			
			Advance				Undistributed	Financial statements translation differences of	Unrealized gains (losses) form financial assets measured at fair value through other	Remeasurements			
		Common	receipts for	Capital		Special	retained	foreign	comprehensive	of defined		Non-controlling	
	Notes	share capital	share capital	surplus	Legal reserve	reserve	earnings	operations	income	benefit plans	Total	interests	Total
For the year ended December 31, 2024													
Balance at January 1, 2024		\$ 1,602,418	\$ 1,660	\$ 6,421,702	\$ 577,944	\$ 12,359	\$1,331,564	(\$ 20,663)	\$ 85,628 (\$ 2,012)	\$ 10,010,600	\$ 2,110,795	\$12,121,395
Profit fo the period		-	-	-	-	-	966,877	-	-		966,877	172,543	1,139,420
Other comprehensive income								45,873	37,470	258	83,601	24,058	107,659
Total comprehensive income							966,877	45,873	37,470	258	1,050,478	196,601	1,247,079
Appropriations of 2023 earnings:	6. (18)												
Legal reserve		-	-	-	96,684	-	(96,684)	-	-	-	-	-	-
Cash dividends	6 (16) (17)	-	-	- 00.204)	-	-	(1,042,651)	-	-		(1,042,651)	-	(1,042,651)
Capital surplus-cash dividend	6. (16) (17)	80,204	-	(80,204)	-	-	-	-	-	-	-	-	-
Recognition of changes in ownership interest in subsidiary	6. (17)	-	-	(1,312)	_	-	-	_	-		(1,312)	1,312	-
Change in associates and joint ventures accounted for under equity method	6. (6) (17)	_	_	17,085	-	-	_	_	-	-	17,085	-	17,085
Share-based Payment	6. (15) (17)	-	-	747	-	-	-	-	-	-	747	795	1,542
Employee stock options exercised	6. (15) (17)	11,070 (840)	54,212	-	-	-	-	-		64,442	4,669	69,111
Changes in non-controlling interests-cash dividend	s 4 (3)	-	-	-	-	-	-	-	-	-	-	(183,415)	(183,415)
Changes in non-controlling interests- Subsidiary Capital Reduction by Cash		-	-	-	-	-	-	-	-	-	_	(121,679)	(121,679)
Balance at December 31, 2024		\$ 1,693,692	\$ 820	\$ 6,412,230	\$ 674,628	\$ 12,359	\$1,159,106	\$ 25,210	\$ 123,098	(\$ 1,754)	\$10,099,389	\$ 2,009,078	\$12,108,467

The accompanying notes are an integral part of these consolidated financial statements.

Chairman: Yung-Shun Chuang

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Manager: Chien-Hung Lin

AAEON Technology Inc. and Subsidiaries CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (Expressed in thousands of New Taiwan Dollars)

For the years ended December 31, Notes 2024 2023 Cash flows from operating activities Profit before tax \$ 1,349,987 \$ 1,440,773 Adjustments Adjustments to reconcile profit (loss) 6 (7) (8) (23) 147,521 125,992 Depreciation expense Amortization expenses 6(23)92,111 63,422 Expected credit impairment losses (gains) 12(2) 3,745 Costs of share-based payment awards 6 (15) 1,542 6,430 Interest income 145,009) (Dividends income 6(20)15,290) (Interest expenses 6(22)8,582 6,462 Net gain from financial assets and 6(2)(21)218,181) (liabilities at fair value through profit or loss Losses on disposal of property, plant and 6(21)883 2,631 equipment Transferred to expenses and losses 2,639 Depreciation expense of investment 6(9)(21)property (other gains and losses) 8,244 6,277 Share of profit of associates accounted for 6(6)142,344) (under equity method Gain on lease modification 6.(8)(21)542) (Changes in operating assets and liabilities Net changes in operating assets Financial assets and liabilities at fair value through profit or loss 383 Notes and accounts receivable 298,714 51,121 Other receivables 2,563) 9,171 Inventories 171,369 970,866 Prepayments 8,067 7,399 Net changes in operating liabilities Contract liability 5,257 Notes and accounts payable (including related-parties) 69,923) (Other payables 2,228) (Other current liabilities 6,870) 8,086

1,997) 75,796) 11,390) 130,978) 176,426) 18) 86,244) 30,661) 22,600) 5,109) Provisions for liabilities 8,877) (Other non-current liabilities 1,595) 3,836) 1,241,390 Net cash from operating activities 2,403,807 Interest received 137,796 75,796 8,522) (Interest paid 6,457) Income taxes paid 243,834) 406,319) Net cash flows from operating activities 1,126,830 2,066,827

(Continued)

	For the years ended December				
	Notes 2024				2023
Cash flows from investing activities					
Acquired financial assets at fair value through		(p	50,000	ф	
profit or loss		(\$	50,000)	\$	-
Disposal of financial assets at fair value through profit or loss			7,472		8,241
Acquired financial assets at fair value through			7,172		0,2 11
other comprehensive income		(78,615)	(71,769)
Acquired financial asset measured at amortized					
cost-current		(58,863)	(31,626)
Disposal of financial asset measured at amortized			20.655		100.025
cost-current			30,677		100,035
Acquisition of investments accounted for under equity method	6 (6)	(3,548)	(14,380)
Acquisition of property, plant and equipment	6 (28)	(· ·	,	ŕ
Disposal of property, plant and equipment	6 (28)	(83,187)	(117,977)
	5 (10)		427		-
Acquisition of intangible asset	6 (10)	(20,330)	`	8,548)
Increase in other current assets		(400)	`	258)
Increase in other non-current assets		(8,109)	(9,198)
Dividends received			304,850		376,787
Acquisiton of subsidiary, net of cash received	6 (27)				754,136
Net cash flows from investing activities			40,374		985,443
Cash flows from financing activities					
Increase (decrease) in short-term borrowings	6 (29)		53,000		27,000
Reimbursement in long-term borrowings	6 (29)	(10,416)	(10,311)
Repayment of lease principal	6 (29)	(65,856)	(56,511)
Cash dividends paid	6 (18)	(1,042,651)	,	746,127)
Changes in non-controlling interests - cash	4(3)	(1,0 .2,001)	(, 10,127)
dividends for non-controlling interests	7 (3)	(183,415)	(206,420)
Employee share options exercised	6 (15)		69,111		69,325
Changes in non-controlling interests- Subsidiary					
Capital Reduction by Cash		(121,679)		_
Net cash flows from financing activities		(1,301,906)	(923,044)
Effects due to changes in exchange rate			56,926	(15,453)
Increase in cash and cash equivalents		(77,776)		2,113,773
Cash and cash equivalents at the beginning of					
periods			4,347,976		2,234,203
Cash and cash equivalents at the end of periods		\$	4,270,200	\$	4,347,976
= *					

The accompanying notes are an integral part of these consolidated financial statements

Chairman: Yung-Shun Chuang



Manager: Chien-Hung Lin



Accounting Supervisor: Jen-Chung Wang



AAEON Technology Inc. and Subsidiaries NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan Dollars, except as of otherwise indicated)

I. Company Profile

AAEON Technology Co., Ltd. ("the Company") was established in the Republic of China. The main businesses of the company and its subsidiaries ("the Group") include the manufacturing, processing and imports and exports of computer peripherals, electronic components, computer test instruments, computer PCB functional testing, and radio telecommunication equipment and its components; the R&D, design, manufacturing, processing and trading of various industrial computers, medical computers, industrial controllers, quantity controllers and components; industrial computer automation design and services, as well as the import/export of related materials. The Company has been listed on Taiwan Stock Exchange since August 2017. Asustek Computer Co., Ltd. holds 37.46% of the Company's shares (including indirect holdings) and is the Group's ultimate parent company.

II. Date and Procedures for the Authorization of Financial Reports

These consolidated financial reports were approved by the board of directors on February 27, 2025.

III. New or Revised Standards and Applied Interpretation

(I) The impact of adopting standards or interpretations issued, revised or amended by IASB which are endorsed by the Financial Supervisory Commission (hereinafter referred to as FSC)

Standards or interpretations issued, revised or amended by IASB which are endorsed by FSC at 2024 are listed below:

	Effective date
Newly issued revised or amended standards and interpretations	issued by IASB
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	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.

(II) Effect of new issuances of or amendments to International Financial Reporting 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:

	Effective date
Newly issued revised or amended standards and interpretations	issued by IASB
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company financial condition and financial performance based on to the Company's assessment.

(III) International Financial Reporting 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 IASB
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
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
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, '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.

1. Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments':

Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). 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.

2. 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.

IV. Summary of Significant 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.

(I) Compliance statement

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRSs), including International Accounting Standards, IFRIC Interpretations, and SIC Interpretations, as endorsed and issued by the Financial Supervisory Commission (FSC).

(II) Basis of preparation

- 1. Except for the following significant items, these consolidated financial statements have been prepared under the historical cost convention:
 - (1) Financial assets and financial liabilities (including derivatives) that have been measured at fair value through profit of loss.
 - (2) Financial assets and financial liabilities that have been measured at fair value through other comprehensive income.
 - (3) Defined benefit liabilities recognized at the net amount of pension fund assets less present value of defined benefit obligation.
- 2. 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.

(III) Basis of consolidation

- 1. Preparation principle of consolidated financial statement:
 - (1) 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.
 - (2) 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 of subsidiaries have nee adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (3) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests.
 - (4) 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.
 - (5) When the Group loses the 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 associateor 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 preiously 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.

2. The subsidiaries included in the consolidated financial statements:

			Ownershi	p interest	_
Investor	Investee	Business	2024/12/31	2023/12/31	Notes
AAEON.	AAEON ELECTRONICS, INC. (AEI)	Sales of IPC and PC peripherals	100%	100%	
AAEON.	AAEON TECHNOLOGY CO., LTD	Investment of IPC and interface card	100%	100%	
AAEON.	(ATCL) AAEON TECHNOLOGY (EUROPE) B.V.(ANI)	Sales of IPC and PC peripherals	100%	100%	
AAEON.	AAEON INVESTMENT, CO., LTD. (AAEONI)	Investment of IPC and PC peripherals	100%	100%	
AAEON.	ONYX HEALTHCARE INC. (ONYX)	Design, manufacture and sales of medical PC	48.40%	48.51%	Note1
AAEON.	AAEON TECHNOLOGY SINGAPORE PTE. LTD (ASG)	Sales of IPC and PC peripherals	100%	100%	
AAEON.	JETWAY INFORMATION CO., LTD. (JETWAY)	Manufacturing and selling of industrial motherboard and computer peripherals	35.29%	35.27%	Note1 and Note 2
ATCL	AAEON TECHNOLOGY (SUZHOU) INC.(ACI)	Production and sales of IPC and interface card	100%	100%	
ANI	AAEON TECHNOLOGY GMBH(AGI)	Sales of IPC and PC peripherals	100%	100%	
ONYX	ONYX HEALTHCARE EUROPE B.V. (ONI)	Marketing support and maintenance of medical PC and peripherals	100%	100%	
ONYX	ONYX HEALTHCARE USA, INC. (OHU)	Sales of medical PC and peripherals	100%	100%	
ONYX	ONYX HEALTHCARE (SHANGHAI) LTD (OCI)	Sales of medical PC and peripherals	100%	100%	
ONYX	IHELPER INC. (IHELPER)	R&D and sales of medical robots	46%	46%	Note 1

			Ownershi	p interest	_
Investor	Investee	Business	2024/12/31	2023/12/31	Notes
JETWAY	JETWAY	Selling and	100%	100%	Note 2
	COMPUTER	repairing of			
	CORP.(USA)	computer			
	(JETWAYUS)	peripheral			
		equipment			
JETWAY	JETWAY	Selling and	100%	100%	Note 2
	COMPUTER	repairing of			
	B.V.	computer			
	(Netherlands)	peripheral			
	(JETWAYNL)	equipment	1000/	1000/	
JETWAY	JETWAY (FAR	Investing of	100%	100%	Note 2
	EAST)	computer			
	INFORMATION	peripheral			
	COMPANY	business			
	LIMITED				
IETM AN	(JETWAYFE)	I	1000/	1000/	NI-4- 2
JETWAY	TOP NOVEL ENTERPRISE	Investing of	100%	100%	Note 2
	CORP.	computer peripheral			
	(TOPNOVEL)	business			
JETWAYFE	SCORETIME	Investing of	100%	100%	Note 2
JEIWAITE	INVESTMENT	computer	10070	10070	Note 2
	LIMITED	peripheral			
	(SCORETIME)	business			
TOPNOVEL	CANDID	Investing of	100%	100%	Note 2
TOTTOTLE	INTERNATION	computer	10070	10070	11010 2
	AL	peripheral			
	CORP.	business			
	(CANDID)	0 45111455			
CANDID	FUJIAN	Manufacturing	100%	100%	Note 2
	CANDID	and selling of			
	INTERNATION	computer			
	AL	and peripheral			
	CO., LTD.	equipment			
	(FUJIAN)	- *			

- Note 1: Although the Group does not hold more than 50% shareholding, it is included in the preparation of the consolidated financial report as it has control over the Company's financial, operating and personnel policies.
- Note 2: The Company has increased its capital by issuing 10,523 thousand common shares in exchange for 26,308 thousand common shares held by 11 shareholders of JETWAY on April 28,2024. Consequently, AAEON acquired a total of 35.27% of the shares of JETWAY including 0.19% equity interest held by the Company before the combination, and became the single largest shareholder of JETWAY. 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 relative activities, JETWAY was included in the Group's consolidated financial statements from that date (the acquisition date). In June, 2024, JETWAY held director elections, and the Company has granted more than half of a company's directors.
- 3. Subsidiaries not included in the consolidated financial statements: None.
- 4. Adjustments for subsidiaries with different end of the financial reporting period: None.
- 5. Significant restrictions: None.
- 6. Subsidiaries that have non-controlling interests that are material to the Group:

The Group's total non-controlling interests as of December 31, 2024 and 2023 were \$2,009,078 and \$2,110,795, respectively. The Group's subsidiaries with significant non-controlling interests are as follows:

		Non-controlling interests		Non-controlli	ng interests	
			2024/12/31		2023/1	2/31
Subsidiar	Main business		Ownership			Ownership
y Name	location		Amount	interest	 Amount	interest
ONYX	Taiwan	\$	797,008	51.60%	\$ 778,295	51.49%
JETWAY	Taiwan	\$	1,203,905	64.71%	\$ 1,323,547	64.73%

Summarized financial information of subsidiaries:

Balance sheet

		ONY	X	
	2024/12/31		2023/12/31	
Current asset	\$	824.607	\$	870.965
Non-current assets		1,281,586		1,177,243
Current liability	(338,864)(305,151)
Non-current liabilities	(214,571)(222,511)
Total Net Assets	\$	1,552,758	\$	1,520,546

		JETWAY				
		2024/12/31	2	2023/12/31		
Current asset	\$	1,089,817	\$	1,325,707		
Non-current assets		1,217,500		1,231,257		
Current liability	(256,966)(313,690)		
Non-current liabilities	(189,584)(198,413)		
Total Net Assets	\$	1,860,767	\$	2,044,861		

Statement of comprehensive income

	ONYX				
		For the years ende	ed Dec	ember 31,	
		2024		2023	
Income	\$	1,241,573	\$	1,492,860	
Profit before tax	\$	206,407	\$	305,000	
Income tax expense	(26,282)	()	49,830)	
Net income		180,125		255,170	
Other comprehensive income (net amount after tax)		9,862	(1,088)	
Total comprehensive income	\$	189,987	\$	254,082	
Total comprehensive income attributable to non-controlling interests	\$	98,355	\$	130,399	
Dividends paid to non-controlling interests	\$	86,348	\$	85,087	

	For the years ended		From April 28 to	
	Dec	ember 31,2024	Dece	ember 31, 2023
Income	\$	1,251,573	\$	944,712
Profit before tax	\$	180,717	\$	136,019
Income tax expense	(56,715)(·	32,487)
Net income		124,002		103,532
Other comprehensive income (net amount after tax)		29,328 (7,698)
Total comprehensive income	\$	153,330	\$	95,834
Total comprehensive income attributable to non-controlling interests	\$	99,239	\$	61,404
Dividends paid to non-controlling interests	\$	97,067	\$	121,333

Cash flow statement

	ONYX				
	For the years ended D			December 31,	
		2024		2023	
Net cash inflow (outflow) from operating activities	\$	124,515	\$	350,493	
Net cash flows used in investing activities	(52,975)(184,357)	
Net cash flows from financing activities	(120,669)(128,537)	
Effects of exchange rate changes on cash and cash equivalents		6,955		282	
Decrease in current cash and cash equivalents	(42,174)		37,881	
Cash and cash equivalents at the beginning of periods		366,767		328,886	
Cash and cash equivalents at the end of periods	\$	324,593	\$	366,767	
		years ended ber 31, 2024		n April 28 to nber 31, 2023	
Net cash inflow (outflow) from operating activities	\$	221,428	\$	219,780	
Net cash flows used in investing activities	(155,224)		97,996	
Net cash flows from financing activities	Ì	349,529)(193,624)	
Effects of exchange rate changes on cash and cash equivalents		29,553 (17,200)	
Decrease in current cash and cash equivalents	(253,772)		106,952	
Cash and cash equivalents at the beginning of periods		865,919		758,967	
Cash and cash equivalents at the end of periods	\$	612,147	\$	865,919	

(IV) Foreign currency translation

Items included in the financial statements 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 Group's functional and presentation currency.

- 1. Foreign currency transaction and account balances
 - (1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions 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.
- (2) Monetary assets and liabilities denominated in foreign currencies at the periodend are re-ranslated at the exchange rates prevailing at the balance sheet date. Exchange difference arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (3) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their 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.
- (4) All foreign exchange gains and losses are presented in the statement of comprehensive income within "other gains and losses".

2. Translation of foreign operations:

The operating results and financial position of all the group entities, associates and joint arrangement 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 sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- 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.

(V) Classification of current and non-current items

- 1. Assets that meet one of the following conditions are classified as current assets:
 - (1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
 - (2) Assets held mainly for trading purposes.
 - (3) Assets that are expected to be realized within twelve months from the balance sheet date;
 - (4) Cash or a cash equivalent, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

Otherwise they are classified as non-current assets.

- 2. Liabilities that meet one of the following conditions are classified as current liabilities:
 - (1) Liabilities that are expected to be settled within the normal operating cycle;
 - (2) Liabilities arising mainly from trading activities;
 - (3) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Otherwise they are classified as non-current liabilities.

(VI) Cash equivalents

Cash equivalents refer to short-term and highly liquid investment readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitmets in operations are classified as cash equivalents.

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

- 1. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.
- 2. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.
- 3. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.
- 4. The Group recognises 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.

(VIII) Financial asset at fair value through other comprehensive income

- 1. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (1) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (2) The assets' contractual cash flows represent solely payments of principal and interest.
- 2. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using transaction date accounting.
- 3. 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:

The changes in fair value of equity instruments are recognized as other comprehensive income, while all other gains and losses are recognized in other comprehensive income. Those amounts are derecognized without being reclassified to profit or loss and would be transferred to retained earnings. Dividends revenue should be recognized when the right to receive payment is established, provided that it is probable that the economic benefits will flow to the enterprise and the amount of revenue can be measured reliably.

(IX) Financial assets measured at amortized costs

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.

(X) Accounts and notes receivable

- 1. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- 2. The short-term accounts and notes receivables without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(XI) <u>Impairment of financial assets</u>

For accounts receivable that have a significant financing component, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises 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 recognises the impairment provision for lifetime ECLs.

(XII) <u>Derecognition of financial assets</u>

The Group derecognises a financial asset when one of the following conditions is met:

- 1. The contractual rights to receive the cash flows from the financial assets expire.
- 2. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- 3. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(XIII) 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.

(XIV) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(XV) Investments accounted for under equity method

- 1. 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.
- 2. The Group's share of its associates' post-acquisition profits or losses or other comprehensive income is recognized as current profit or loss or other comprehensive income as appropriate. When the Group's share of losses in an associate equals or exceeds its interest in the associate (including any other unsecured receivables), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.
- 3. 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.
- 4. 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.
- 5. When the affiliate issues additional shares, if the Group does not subscribe or acquire based on the proportion, which lead to a change in investment proportion but still with significant influence, the increase or decrease in net equity value are adjusted against the "capital reserve" and "investments accounted for using the equity method". If the Group's investment is reduced, apart from the above adjustments, the Group reclassifies to profit or loss the proportion of the gain or loss previously recognized in other comprehensive income relative to that reduction in ownership interest.
- 6. 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.
- 7. When the Group loses significant influence at the disposal of an affiliate, the Group shall account for all amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the Group had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by the Group would be reclassified to profit or loss on the disposal of the related assets or liabilities, the gain or loss from equity is reclassified to profit or loss when the Group loses significant influence. If the Group still has significant influence on the affiliate, the proportionate amount of the gains or losses previously recognized in other comprehensive income is reclassified.
- 8. When the Group loses significant influence at the disposal of an affiliate, the related capital reserve shall be recognized as profit or loss; if the Group still has significant influence on the affiliate, capital reserve are transferred to profit or loss based on disposal ratio.
- 9. For the reciprocal investments between the Company and another company, investment income or loss was recognized under equity method based on the amount prior to recognition of profit or loss.

(XVI) Property, plant and equipment

- 1. Property, plant and equipment are stated at cost, and the amount of interest incurred during the construction period are capitalized.
- 2. Subsequent costs are included in the carrying amount of an asset or recognized as an asset only if 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 those parts that are replaced shall be derecognized. All other repair and maintenance costs are recognized in profit or loss as incurred.
- 3. 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.
- 4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each 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 economic lives of various assets are as follows:

Buildings 40~50 years

Machinery and equipment 2~10 years

Other equipment 1~8 years

(XVII) Leasing arrangements (lessee) - right-of-use assets/lease liabilities

- 1. 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 as an expense on a straight-line basis over the lease term.
- 2. 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.

- 3. At the commencement date, the right-of-use asset is stated at cost comprising the following:
 - (1) The amount of the initial measurement of lease liability;
 - (2) 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.

4. With regard to the modification on reducing lease scope, lessee would decrease the carrying amount of right of use asset to reflect the termination of partial or overall lease contract, the difference in carrying amount and the amount of lease liability remeasurement is recognized in profit or loss.

(XVIII) <u>Investment property</u>

Investment properties are measured initially at cost, and are subsequently measured using the cost model. Except for land, investment property is depreciated on a straight-line basis over its useful life of 28-50 years.

(XIX) Intangible assets

- 1. Intangible assets mainly consist of computer software costs are amortized on a straight-line basis over their estimated useful lives of 1 to 10 years.
- 2. Customer relationship, patent and expertise arise in a business combination, recognized at fair value on the date of acquisition, the basis of fair value accounting is based on the appraisal report with straight-line method basis over their useful lives over 6 to 7 years.
- 3. Goodwill arise in a business combination accounted for by applying the acquisition method.

(XX) Impairment of non-financial assets

1. 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.

- 2. 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.
- 3. Goodwill is allocated to cash-generating units for impairment testing purposes. Such allocation is based on the identification of operating segments, distributing goodwill to the cash-generating units or groups of cash-generating units expected to benefit from the goodwill arising from business combinations.

(XXI) Borrowings

Borrowings is recognized initially at fair value, net of transaction costs incurred. after deducting transaction costs at initial recognition. Subsequently, 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.

(XXII) Accounts and notes payable

- 1. Liabilities incurred for purchase of materials or supplies, goods, or services on credit, as well as other notes payables arising from non-operating activities.
- 2. Short-term accounts and notes payables with no stated interest rate may be measured at the original invoice amount as the effect of discounting is immaterial.

(XXIII) Financial liabilities at fair value through profit or loss

- 1. 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.
- 2. 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 gain or loss recognized in profit or loss.

(XXIV) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the relevant contract is discharged, cancelled or expired.

(XXV) 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.

(XXVI)Provisions

Provisions (warranties) are recognised 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 on the balance sheet date, 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 recognised as interest expense. Provisions are not recognised for future operating losses.

(XXVII) Employee benefits

1. 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.

2. Pensions

(1) 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.

(2) 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 highquality investments that have tersms 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.

3. 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.

(XXVIII) Share-based payment for employees

The equity-settled share-based payment arrangement equals the grant-date fair value of equity instruments based on the employee's services, and is recognized as compensation costs over the vested period with relative adjustments in equity. Fair value reflects the effect of changes in vesting and non-vesting conditions of market price when they take place. Recognition of compensation costs are adjusted with the number of awards which will meet service conditions and non-market vesting conditions. The final measure of compensation cost is recognized as the vesting quantity on the vesting date.

(XXIX)Income tax

1. 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

- 2. 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 Group 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.
- 3. 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 separate 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. 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.
- 4. 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.
- 5. 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.

(XXX) Dividend

Dividends are recorded in the Company's financial statements in the period in which they are approved 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.

(XXXI)Revenue recognition

1. Sales of products

(1) The Group manufactures and sells products related to industrial computers and medical computers, and sales revenue is recognized when control is transferred to the customer, that is, upon delivery of the product. The wholesaler has full discretion over the channel and price to sell the products, and there is no unsatisfied performance obligations that could affect the wholesaler's acceptance of products. Delivery does not occur until the products have been shipped to the specified location, the risk of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for

acceptance have been satisfied.

- (2) Revenues from sales of products related to industrial computers and medical computers are recorded based on the contract price net of the estimated volume discounts and returns at the time of sale. The quantity discounts and sales discounts given to customers are usually calculated on the basis of 6 months of cumulative sales. The Group estimates sales discounts based on historical experience under the expected value method, with revenue amount included to the extent that it is highly probable a significant reversal in the amount of cumulative revenue recognized will not occur, while estimates are updated at the end of the reporting period. The estimated sales discount provided to customers as of the end of the reporting period is recognized as refund liability. The terms for sales transactions are payment 30-60 days EOM. As the interval between transfer of the promised goods or services and payment by the customer is less than 12 months, the Group has not adjusted transaction price to reflect the time value of money.
- (3) The Group provides product warranty for the goods sold, and has the obligation to provide refund for the defective goods sold, while the provisions for sales return should be recognized.
- (4) Accounts receivable is recorded when the Group has the unconditional right to the consideration at that time since payment is due based only upon the passage of time.

2. Warrant income

The Group's services for advance warranty income for extended warranties are reclassified as revenue based on length of the remaining warranty period.

(XXXII) Government grants

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received, recognized in fair value. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expense for the related costs for which the grants are intended to compensate.

(XXXIII) Business combinations

- 1. 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 acquisitionrelated 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.
- 2. 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.

(XXXIV) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, identified as the Board, is responsible for allocating resources and assessing the performance of the Group's operating segments.

V. Significant Accounting Judgments, Estimations and Major 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; These estimates and assumptions have the risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and the related information is addressed below:

Significant Accounting Estimations

1. Evaluation of inventories

Since inventory should be valued at the lower of cost and net realizable value, the Group must judge and estimate net realizable value of inventories at the reporting period. Due to the rapidly changing technology, the Group assesses the amount of inventories at the end of the reporting period due to normal wear and tear, obsolescence or no market value and write down inventories to net realizable value. Inventory evaluation is mainly based on the estimate of product demand during a specific future period, which may lead to significant changes.

As of December 31, 2024, the carrying amount of the Group's inventory was \$1,319,736.

VI. Details of significant accounts

(I) Cash and cash equivalents

	2024/12/31		2023/12/31	
Cash on hand and petty cash	\$	5,209	\$	4,392
Checking accounts and demand deposits		2,369,544		2,397,774
Time deposit		1,895,447		1,945,810
Total	\$	4,270,200	\$	4,347,976

- 1. Due to good credit quality of the Group's principal financial institutions and the Group's relationships with multiple financial institutions, the exposure to a diversified set of risks would lower the probability of a default.
- 2. Please refer to Note 8 for the Group's collateral provision in the form of cash and cash equivalent guarantees.
- 3. Time deposits with original maturities exceeding three months of the Group's have been reclassified under 'Financial assets measured at amortized cost'.

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

Item	20	24/12/31	2023/12/31	
Current:		_		
Financial assets mandatorily measured at fair value through profit or loss				
Listed and OTC stocks	\$	85,178	\$	91,428
Emerging stocks		3,000		3,000
Unlisted and non-OTC stocks		-		73,744
Beneficiary certificates		25,000		25,000
Convertible bond		104,900		104,900
	<u></u>	218,078		298,072
Valuation adjustment		406,942		125,212
Subtotal	\$	625,020	\$	423,284
Financial liabilities held for trading				
Derivatives	\$	391	\$	-
Non-current:				
Financial assets mandatorily measured at fair value through profit or loss				
Unlisted and non-OTC stocks	\$	161,113	\$	59,070
Hybrid instrument		10,832		10,832
		171,945		69,902
Valuation adjustment	(50,334)	(7,271)
Subtotal	\$	121,611	\$	62,631

- 1. The hybrid instrument is a contract that contains both a host contract and embedded options of the unlisted company V-net AAEON Corporation Ltd. (hereinafter referred to as V-net). The options provide original shareholders the right to resell/repurchase stocks of the Company and V-net at the original transaction price. Please refer to Note 12 (3) 8 for the fair value as of December 31, 2024 and 2023.
- 2. Convertible corporate bonds represent a hybrid financial instrument, consisting of bonds issued by an OTC-listed company and embedded options. These options grant the bondholders the right to convert the bonds into the issuer's shares at a predetermined price. As the host contract within this hybrid instrument qualifies as a financial asset under the scope of IFRS 9, the fair value of the entire hybrid contract is measured accordingly. For details on the fair value inputs, please refer to Note 12, (3) 4.

3. Amounts recognized in profit of loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	For the years ended December 31,					
-		2024		2023		
Financial assets mandatorily measured at fair value through profit or loss	i					
Equity instrument	\$	221,327	\$	118,888		
Beneficiary certificates		378		322		
Convertible bond	(3,000)		12,600		
Derivatives	(8)	(279)		
Hybrid instrument	(516)	(553)		
Total	\$	218,181	\$	130,978		

4. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

	2024/12/31				
Derivative financial liabilities	Contract amount	Maturity period			
Current item:					
Forward exchange contracts					
-Buy NTD Sell USD	USD 510,000	2024.11.18~2025.1.13			
-Buy NTD Sell USD	USD 510,000	2024.11.21~2025.1.14			
Forward foreign exchange contracts					

The Group entered into forward foreign exchange contracts to hedge exchange rate risk of export proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

5. The Group has no financial assets measured at fair value through profit or loss pledged as collaterals.

(III) Financial asset at fair value through other comprehensive income

Item	2024/12/31		2023/12/31	
Non-current:				
Equity instrument				
Listed and OTC stocks	\$	89,184	\$	71,769
Unlisted and non-OTC stocks		100,534		39,334
Valuation adjustment	(38,670)	(42,347)
Total	\$	151,048	\$	68,756

- 1. The Group has elected to clasify investment on MELTEN CONNECTED HEALTHCARE INC. and PROTECTLIFE INTERNATIONAL BIOMEDICAL INC, which are considered to be strategic investments as financial assets measured at fair value through other comprehensive income. The fair value of the investments amounted to \$151,048 and \$68,756 on December 31, 2024, and 2023 separtely.
- 2. Amounts recognized in profit of loss in relation to financial assets at fair value through other comprehensive income are listed below:

	For the year ended December 31,			
	2024	2023		
Financial asset at fair value				
through other comprehensive				
income				
Recognized in other				
comprehensive income				
(loss)	\$ 3,676	(5,394)	
Transfer to retained earnings				
from derecognition of				
financial assets	\$ 	(4,845)	
The dividend income				
recognized in profit or loss				
for those still held at the				
end of the current period.	\$ 5,441	\$	<u>-</u>	

3. The Group has no financial assets measured at fair value through other comprehensive income pledged to others.

(IV) Notes and accounts receivable

Notes receivable	2024/12/31		2023/12/31	
	\$	45,323	\$	13,400
Accounts receivable	\$	856,387	\$	939,430
Less: Loss allowance	(24,313)	(19,864)
	\$	832,074	\$	919,566

1. The aging of accounts and notes receivable are as follows:

Notes receivable	20	2024/12/31		2023/12/31	
Not past due	\$	45,323	\$	13,400	
Accounts receivable	20	2024/12/31		2023/12/31	
Not past due	\$	646,731	\$	763,274	
Within 30 days		180,686		115,098	
31-60 days		7,101		43,877	
61-90 days		1,675		106	
91-180 days		5,880		2,199	
Over 181 days		14,314		14,876	
	\$	856,387	\$	939,430	
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The aging analysis above is based on the number of days past due.

- 2. The Group does not hold any financial assets as security for accounts and notes receivables.
- 3. Balances of accounts and notes receivable as of December 31, 2024 and 2023 had arisen entirely from customers' contracts. Balance receivable on customers' contracts and allowance for losses as of January 1, 2023 were \$1,174,241 and \$21,597, respectively.
- 4. Regardless of any collateral held or other credit enhancements, the maximum exposure to the credit risk of notes receivables as of December 31, 2024, and 2023 were \$45,323, \$13,400 respectively, and the maximum exposure to the credit risk of accounts receivable as of December 31, 2024 and 2023 were \$832,074 and \$919,566, respectively.
- 5. Please refer to Note 12 (2) for credit risk information of notes and accounts receivable.

(V) <u>Inventories</u>

	2024/12/31								
			Valuation	_					
		Cost	allowance	Carrying amount					
Raw material	\$	626,623 (\$	73,027)	\$ 553,596					
Work in progress		460,388 (26,697)	433,691					
Finished good		324,369 (44,301)	280,068					
Merchandise Inventories		64,563 (12,454)	52,109					
Inventories in transit		272	_	272					
Total	\$	1,476,215 (\$	156,479)	\$ 1,319,736					

		2023/12/31							
	Valuation								
	 Cost	allowance	Carrying amount						
Raw material	\$ 831,349 (\$	120,623)	\$ 710,726						
Work in progress	472,702 (23,411)	449,291						
Finished good	333,185 (44,587)	288,598						
Merchandise Inventories	 64,595 (22,105)	42,490						
Total	\$ 1,701,831 (\$	210,726)	\$ 1,491,105						

The Group's cost of inventories recognized as expenses of the current period:

		For the years end	ed Dece	ember 31,
		2024		2023
Cost of inventory sold	\$	4,627,147	\$	5,213,295
Inventories obsolescence and devaluation loss	(28,965)		24,203
Losses on disposal of inventories		7,383		339
Others		1,834		992
	\$	4,607,399	\$	5,238,829

(VI) Investments accounted for under equity method

		2024		2023
At January 1	\$	4,138,921	\$	4,143,549
Increase in investments accounted for under equity method		3,548		14,380
Reclassification		-		25,155
Share of investment income accounted for under equity method		142,344		176,426
Distribution of investment income accounted for under equity method	(289,560)	(365,397)
Changes in capital surplus		17,085		64,397
Changes in other equity		42,426		80,411
At December 31	\$	4,054,764	\$	4,138,921

	2024/	12/31		2023/12/31				
Investee	Ownership (%) Book value			Ownership (%) Book value				
LITEMAX ELECTRONICS INC.	11.86	\$ 11	9,748	11.91	\$	114,718		
IBASE TECHNOLOGY INC.	26.70	3,25	1,957	26.82		3,359,992		
WINMATE INC. PROTECTLIFE	12.85	64	9,524	13.08		629,526		
INTERNATIONAL BIOMEDICAL INC.	11.08	3	3,535	11.27		34,685		
		\$ 4,05	4,764	_	\$	4,138,921		

1. Summarized aggregated financial information of the Group's share in these associates is as follows:

Balance sheet

		OGY INC.		
		2024/12/31		2023/12/31
Current asset	\$	\$ 5,953,894 \$		6,386,855
Non-current assets		7,362,464		7,183,821
Current liability	(2,472,972)	(2,686,379)
Non-current liabilities	(2,239,359)	(2,255,564)
Net assets fair value of trade marks, other intangible and tangible assets adjustment		857,160		1,269,201
Adjusted net assets	\$	9,461,187	\$	9,897,934
Share of net assets of the affiliate	\$	2,273,539	\$	2,381,574
Goodwill		978,418		978,418
Book value of affiliates	\$	3,251,957	\$	3,359,992

Statement of comprehensive income

	For the years ended December 31,								
		2024	2023						
Income	\$	5,180,150	\$	5,996,862					
Net income of continuing operations		508,966		662,686					
Other comprehensive income (net amount after tax)		208,936		266,351					
Total comprehensive income		717,902		929,037					
Fair value adjustment	(152,535)	(152,307)					
Adjusted total comprehensive income	\$	565,367	\$	776,730					
Dividends received from associates	\$	221,196	\$	295,539					

2. The Group's share of their operating results of associates that are individually not significant to the Group:

As of December 31, 2024, and 2023, the total carrying amounts of the Group's

individually immaterial associates were \$802,807 and \$778,929, respectively.

	For the years enden December 31,					
		2024	2023			
Net income of continuing operations	\$	90,655	\$	81,698		
Other comprehensive income (net amount after tax)		454		4,059		
Total comprehensive income	\$	91,109	\$	85,757		

3. The fair value of the Group's associates which have quoted market price ia as follows:

	2024/12/31			2023/12/31		
LITEMAX ELECTRONICS INC.	\$	333,501	\$	237,713		
IBASE TECHNOLOGY INC.		3,900,341		4,270,794		
WINMATE INC.	1,644,162			1,254,890		
	\$	5,878,004	\$	5,763,397		

- 4. Although the Group holds less than 20% of the voting power of Litemax Electronics Inc., it has significant influence to Litemax and has adopted the equity method for evaluation as its shareholding percentage is the highest, and has also been serving as a director of Litemax.
- 5. Although the Group holds less than 20% of the voting power of Winmate Inc., it has adopted the equity method for evaluation as its subsidiary Onyx has served as a director of Winmate Inc.
- 6. The Group originally holds 6.3% equity stake of PROTECTLIFE INTERNATIONAL BIOMEDICAL INC. After participating in its cash capital increase on February 9, 2023, the Group's ownership percentage increased to 11.54%. Although it holds less than 20%, when considering the group's shares together with those held by another related party, FU LI INVESTMENT INC. (a subsidiary with its chairman serving as a director of ONYX), the ownership percentage reached 20%. And the chairman of the subsidiary, who holds a significant influence, serves as a director of PROTECTLIFE INTERNATIONAL BIOMEDICAL INC. Therefore, starting from February 9, 2023, the equity method is applied for the evaluation of the investment. Additionally, the Group's participated in its cash capital increase on July 21, 2024 and July 21, 2023, the ownership percentage increased to 11.08% and 11.27%, separately.
- 7. On June 11, 2018, the Company signed a share agreement with IBASE issuing 41,698 thousand shares to acquire 52,922 thousand shares of IBASE., with the swap date set for September 29, 2018. The Group holds 30% of the votting power of IBASE. As of September 30, 2024, the Group holds 26.70% votting power, remaining its largest shareholder. However, based on other shareholders' participation and voting records in past meetings, the Group has no actual ability to direct relevant activities. Therefore, the Group has no control over the company and only has a significant influence.
- 8. The Group holds 11.86% of the votting power of LITEMAX ELECTRONICS INC., as the single largest shareholder. Considering that the remaining 88.14% of LITEMAX's equity is concentrated in investors from other parties, the number of votes for the minority voting rights holders to act together has surpassed that of the Group, Therefore, the Group has no control over the company and only has significant influence on LITEMAX.

							U2 T					
		Land		Buildings		Iachinery equipment	e	Other equipment	in	nstruction progress and quipment under stallation		Total
January 1 Cost Accumulated	\$	714,261	\$	977,482	\$	239,666	\$	283,009	\$	343	\$	2,214,761
depreciation and impairment		-	(310,886)	(177,379)	(206,812)		- (695,077)
	\$	714,261	\$	666,596	\$	62,287	\$	76,197	\$	343	\$	1,519,684
January 1 Additions Disposal	\$	714,261	\$	666,596 2,842 3)	\$	62,287 43,622 637)	\$	76,197 32,343 670)	\$	343 2,120 - (\$	1,519,684 80,927 1,310)
Reclassification (Note 1)	(98,104) (57,688)		2,743	`	4,371	(2,463)(151,151)
Depreciation expense		-	(26,523)	(17,267)	(33,776)		- (77,566)
Net exchange differences		5,232		11,219		440		535		- (17,426)
December 31	\$	621,389	\$	596,433	\$	91,188	\$	79,000	\$		\$	1,388,010
December 31 Cost Accumulated	\$	621,389	\$	931,697	\$	260,876	\$	296,187	\$	-	\$	2,110,150
depreciation and impairment	Φ.	(21 200	(335,264)		169,690)		217,186)	ф.	- (722,140)
	\$	621,389	\$	596,433	\$	91,186	\$	79,001	\$		\$_	1,388,010

						20	123					
					N	Jachinery		Other	iı	onstruction n progress and equipment under		
		Land		Buildings		equipment	(equipment	iı	nstallation		Total
January 1 Cost Accumulated	\$	490,453	\$	319,367	\$	98,346	\$	197,458	\$	8,370	\$	1,113,994
depreciation and impairment		-	(111,140)	(47,422)	(149,691)		-	(308,253)
•	\$	490,453	\$	208,227	\$	50,924	\$	47,767	\$	8,370	\$	805,741
January 1 Additions Disposal	\$	490,453 37,523	\$	208,227 15,295 2)	\$	50,924 10,029 95)	\$	47,767 38,805 2,534)	\$	8,370 14,820	\$	805,741 116,472 2,631)
Reclassification		_		32,970		8,542		8,363	(22,847)		27,028
(Note 2) Depreciation expense Effects due to		-	(23,307)	(15,484)	(29,512)		ŕ	(68,303)
changes in consolidated entities		186,298		438,154		8,592		13,288		-		646,332
Net exchange differences	(13)	(4,741)	(221)		20		-	(4,955)
December 31	\$	714,261	\$	666,596	\$	62,287	\$	76,197	\$	343	\$	1,519,684
December 31 Cost Accumulated	\$	714,261	\$	977,482	\$	239,666	\$	283,009	\$	343	\$	2,214,761
depreciation and		-	(310,886)	(177,379)	(206,812)		-	(695,077)
impairment	\$	714,261	\$	666,596	\$	62,287	\$	76,197	\$	343	\$	1,519,684

Note 1: Mainly reclassified from property, plant and equipment to investment propert

Note 2: Mainly reclassified from investment propert

- 1. The above property, plant and equipment are assets for self-use requirement.
- 2. The Group has not capitalized any borrowing costs related to property, plant, and equipment.
- 3. Please refer to Note 8 for the property, plant and equipment as collaterals for loans.

(VIII) Lease transactions - lessee

- 1. The Group leases various assets including land use right, buildings, transportation equipment and other equipment. The rental contracts of land use right are 43 years, remaining are typically made for periods of 1 to 20 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.
- 2. The lease term of part of the Group's houses and transportation equipment is no more than 12 months, with leases of office equipment which are low-value assets.

3. The carrying amount of right-of-use assets and the amount of depreciation expense recognized are as follows:

	 2024/12/31	 2023/12/31
	Carrying amount	 Carrying amount
Buildings	\$ 142,025	\$ 136,523
Transportation equipment	13,216	7,482
Land use right	41,027	41,367
Other equipment	399	1,244
	\$ 196,667	\$ 186,616

	For the years ended December 31,						
	20	024	2023				
	Depreciat	ion expense	De	preciation expense			
Buildings	\$	61,564	\$	50,960			
Transportation equipment		6,888		5,554			
Land use right		1,130		746			
Other equipment		373		429			
	\$	69,955	\$	57,689			

- 4. For the years ended December 31, 2024 and 2023 to the acquisitions of right-of-use assets were \$78,072 and \$57,359, respectively.
- 5. The information on income and expense accounts relating to lease contracts is as follows:

	For the years ended December 31,						
	2024	2023					
Items affecting profit or loss	Depreciation expense	Depreciation expense					
Interest expense on lease liabilities	\$ 5,077	\$ 3,497					
Expense on short-term lease contract	14,006	16,774					
Expense on leases of low-value assets	142	153					
Gain on lease modification	542	18					

6. For the years ended December 31, 2024 and 2023, the Group's total cash outflow for leases was \$85,081 and \$76,935, respectively.

(IX) <u>Investment property</u>

				2024			
_		Land		Buildings	Total		
January 1 Cost	\$	128,073	\$	146,443	\$	274,516	
Accumulated depreciation and impairment		-	(82,724)(82,724)	
,	\$	128,073	\$	63,719	\$	191,792	
		Land		Buildings		Total	
January 1	\$	128,073	\$	63,719	\$	191,792	
Reclassifation (Note 1)		98,104		59,477		157,581	
Depreciation expense		-	(8,244)(8,244)	
Net exchange differences		_		1,296		1,296	
December 31	\$	226,177	\$	116,248	\$	342,425	
		Land		Buildings		Total	
December 31 Cost	\$	226,177	\$	222,998	\$	449,175	
Accumulated depreciation and impairment		-	(106,750)(106,750)	
and impairment	\$	226,177	\$	116,248	\$	342,425	
				2023			
		Land		Buildings		Total	
January 1 Cost	Ф						
	\$	128,073	\$	192,206	\$	320,279	
Accumulated depreciation	\$	128,073	\$		\$)(320,279 97,350)	
	\$	128,073 - 128,073	\$ (<u>\$</u>				
Accumulated depreciation		<u>-</u>	\$ (<u>\$</u>	97,350)(97,350)	
Accumulated depreciation		128,073	\$ (<u>\$</u> \$	97,350 94,856)(97,350)	
Accumulated depreciation and impairment	\$	128,073 Land	<u>\$</u>	97,350 94,856 Buildings	\$	97,350) 222,929 Total	
Accumulated depreciation and impairment January 1	\$	128,073 Land	<u>\$</u>	97,350 94,856 Buildings 94,856	\$ \$)(97,350) 222,929 Total 222,929	
Accumulated depreciation and impairment January 1 Reclassfiation (Note 2)	\$	128,073 Land	<u>\$</u>	97,350 94,856 Buildings 94,856 24,145	\$ 	97,350) 222,929 Total 222,929 24,145)	
Accumulated depreciation and impairment January 1 Reclassfiation (Note 2) Depreciation expense	\$	128,073 Land	<u>\$</u>	97,350 94,856 Buildings 94,856 24,145 6,277	\$ \$)()()(97,350) 222,929 Total 222,929 24,145) 6,277)	
Accumulated depreciation and impairment January 1 Reclassfiation (Note 2) Depreciation expense Net exchange differences December 31	\$	Land 128,073	\$ \$ (((97,350 94,856 Buildings 94,856 24,145 6,277 715	\$ \$)()()(97,350) 222,929 Total 222,929 24,145) 6,277) 715	
Accumulated depreciation and impairment January 1 Reclassfiation (Note 2) Depreciation expense Net exchange differences	\$	Land 128,073	\$ \$ (((97,350 94,856 Buildings 94,856 24,145 6,277 715 63,719	\$ \$)()()(97,350) 222,929 Total 222,929 24,145) 6,277) 715 191,792	
Accumulated depreciation and impairment January 1 Reclassfiation (Note 2) Depreciation expense Net exchange differences December 31	\$ \$	Land 128,073	\$ \$ (((\$	97,350 94,856 Buildings 94,856 24,145 6,277 715 63,719 Buildings	\$ \$)(()() \$	97,350) 222,929 Total 222,929 24,145) 6,277) 715 191,792 Total	

Note 1: Mainly reclassified from property, plant and equipment.

Note 2: Mainly reclassified to property, plant and equipment.

1. Rent income and related direct operating cost & expense of the investment property:

For the year ended December 31.

	For the year ended December 31,							
		2024	2023					
Rent income	\$	12,413	\$	12,393				
Related direct								
operating cost &								
expense	\$	8,244	\$	6,277				

2. The fair value of investment property for the year ended December 31, 2024, and 2023 was \$504,693 and \$348,631 which base on the evaluation results of nearby transaction prices.

(X) Intangible assets

		tent and xpertise		Computer Software	 Goodwill		Customer lationship		Total
January 1, 2024 Cost Accumulated	\$	70,691	\$	75,780	\$ 204,390	\$	465,859	\$	810,786
amortization and impairment	(7,900) (64,299)	-	(44,368)(94,408)
трантен	\$	62,791	\$	11,481	\$ 204,390	\$	421,491	\$	700,153
January 1, 2024	\$	62,791	\$	11,481	\$ 204,390	\$	421,491	\$	700,153
Additions- from acquisitions		-		20,330	-		-		20,330
Reclassifiation Amortization	(11,735	() (399) 13,716)	-	(- (66,551)(399) 92,002)
Net exchange differences		19		10	-		-		29
December 31, 2024	\$	51,075	\$	17,706	\$ 204,390	\$	354,940	\$	628,111
December 31, 2024 Cost	\$	70,691	\$	75,780	\$ 204,390	\$	465,859	\$	810,786
Accumulated amortization and impairment	(19,616) (78,005)	-	(110,919)(208,540)
	\$	51,075	\$	17,706	\$ 204,390	\$		\$	628,111
		tent and xpertise		Computer Software	Goodwill		Customer lationship		Total
January 1, 2023			_					_	
Cost Accumulated	\$	385	\$	66,511	\$ -	\$	-	\$	66,896
amortization and impairment	(59)) (53,524)	-		- (53,583)
•	\$	326	\$	12,987	\$ _	\$		\$	13,313
January 1, 2023	\$	326	\$	12,987	\$ -	\$	-	\$	13,313
Additions- from acquisitions Additions- due to		-		8,548	-		-		8,548
changes in consolidated entities		70,306		721	204,390		465,859		741,276
Amortization	(7,842) (10,764)	-	(44,368)(62,974)
Net exchange differences		1	(11)	 		- (10)
December 31, 2023	\$	62,791	\$	11,481	\$ 204,390	\$	421,491	\$	700,153

December 31, 2023

		atent and xpertise		Computer Software		Goodwill		Customer lationship		Total
Cost Accumulated	\$	70,691	\$	75,780	\$	204,390	\$	465,859	\$	810,786
amortization and impairment	(7,900)	(64,299)		-	(44,368)	(94,408)
•	\$	62,741	\$	11,481	\$	204,390	\$	421,491	\$	700,153

- 1. Please refer to the Note 6 (27) for business combinations.
- 2. As of December 31, 2024, the goodwill generated by JETWAY due to the acquisition of the Group is tentatively recognized at \$204,390, and the impairment test of goodwill is to allocate goodwill to the cash generating units related to JETWAY, and the use value is used as the basis for the recoverable amount, and the use value is estimated based on the cash flow of the five-year financial budget approved by management.

Management determines the budget gross margin based on previous performance and its expectations of market development. The weighted average growth rate used is consistent with the industry report's forecast. The discount rate used is an after-tax rate and reflects the specific risks of the relevant operating sector. The after-tax discount rate used in the main assessment of December 31, 2024 was 13.75%.

There's no impairment loss of goodwill recognized from the above assessment mentioned in the year in ended December 31, 2024.

3. The details of Amortization as below:

	For the year ended December 31,							
		2024		2023				
Operating cost	\$	1,000	\$	248				
Selling expense		1,305		624				
General and administrative expenses		81,822		55,997				
Research and development expenses		7,875		6,105				
	\$	92,002	\$	62,974				

(XI) Short-term borrowings

Type of borrowing	2024/12/31 I		Interest rate range	Collateral
Borrowings from banks				
Credit borrowings	\$	30,000	2.10%	Note
Guaranteed borrowings		50,000	2.05%	Refer to Note 8
	\$	80,000		
Type of borrowing		2023/12/31	Interest rate range	Collateral
Borrowings from banks				
Guaranteed borrowings	\$	27,000	0.50%	Refer to Note 8

For the year ended December 31, 2024 and 2023, interest expenses recognized through profit or loss were \$762 and \$142, respectively.

(XII) Long-term borrowings

Type of borrowing	Period and Repayment method	Interest rate range	Collateral		2023/12/31
Borrowings from banks	-				
Guaranteed borrowings	2023.5.28-2036.5.28 Monthly amortization of principal and interest	1.98%	Land, Buildings	\$	134,559
Less: Current portions of lo	ng-term loans			(10,612)
				\$	123,947
Type of borrowing	Period and Repayment method	Interest rate range	Collateral		2023/12/31
Borrowings from banks			,		
Guaranteed borrowings	2023.5.28-2036.5.28 Monthly amortization of principal and interest	1.85%	Land, Buildings	\$	144,975
Guaranteed borrowings Less: Current portions of lo	Monthly amortization of principal and interest	1.85%		\$	144,975 10,376)

- 1. The interst recognized in profit or loss for the year ended December 31,2024 and 2023 were \$2,729 and \$2,718, respectively.
- 2. Please refer to Note 8 for the details of collateral.

(XIII) Other payables

	 2024/12/31	2023/12/31	
Accured payroll, employee's compensation and bonuses	\$ 424,114	\$ 446	,691
Accured technical service fee (Note7 (3) 6.)	43,695	37	,691
Others	200,112	187	,968
	\$ 667,921	\$ 672	,350

Please refer to Note 7 (3) 6. for the details

(XIV) Pension

1.(1) The Company and JETWAY 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 5% 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.

(2) The amounts recognized in the balance sheets are as follows:

	2	024/12/31	2023/12/31
Present value of defined benefit obligations	(\$	18,492)(\$	18,986)
Fair value of plan assets		29,721	29,123
Net defined benefit liability	\$	11,229 \$	10,137

(3) Movements in net defined benefit liabilities are as follows:

	2024							
	Present value of defined benefit obligations		Fair value of plan assets			Net defined enefit assets (liability)		
January 1	(\$	18,986)	\$	29,123	\$	10,137		
Current service cost	(2)		-	(2)		
Interest (expense) income	(247)		378		131		
	(19,235)		29,501		10,266		
Remeasurements:								
Change in financial assumptions	(1,612)		-	(1,612)		
Experience adjustments	(25)		2,587		2,562		
	(1,637)		2,587		950		
Pension fund contribution		_		13		13		
Pension payment		2,380 (,	2,380)	-		
December 31	(\$	18,492)	\$	29,721	\$	11,229		

	2023					
	Present value of defined benefit obligations		Fair value of plan assets			Net defined benefit assets (liability)
January 1	\$	-	\$	-		\$ -
Current service cost	(201)		-	(201)
Interest (expense) income	(430)		404	(26)
	(631)		404	(227)
Remeasurements:						
Change in financial assumptions	(71)		-	(71)
Experience adjustments		381		112		493
		310		112		422
Pension fund contribution		_		11,968		11,968
Pension payment		11,951		11,951)	-
Effect due to consolidated entities	(30,616)		28,590	(2,026)
December 31	(\$	18,986)	\$	29,123	-	\$ 10,137

(4) 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 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(5) The principal actuarial assumptions used are as follows:

	2024	2023
Discount rate	1.57%~1.8%	1.30%
Future salary increases rate	3.00%	2.00%

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%	Γ	Decrease 0.5%		Increase 0.5%	Decrease 0.5%	
December 31, 2024 Effect on present value of defined benefit obligation December 31, 2023	(<u>\$</u>	1,134)	\$	1,229	\$	1,197 (\$	1,125)	
Effect on present value of defined benefit obligation	(\$	998)	\$	1,230	\$	1,215 (\$	<u>997</u>)	

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

- (6) Expected contribution to the defined benefit pension plans of the Group for the year ending December 31, 2024 is \$195.
- (7) As of December 31, 2024, the weighted average duration of that retirement plan is 13~30 years. The maturity analysis of pension payments is as follows:

Less than 1 year	\$ 14,196
1~2 years	1,310
2~5 years	754
Over 5 years	 85
	\$ 16,345

- 2.(1) Since July 1, 2005, the Company and its domestic subsidiaries have established certain retirement payout methods applicable for domestic employees in accordance with the "Labor Pension Act." The Company and its domestic subsidiaries choose to apply the labor pension system stipulated in the "Labor Pension Act" and allocate pensions on a monthly basis to the individual labor pension account managed by the Bureau of Labor Insurance at 6% of monthly wage. Based on the principal and accrued dividends from an employee's individual labor pension account, labor pension shall be paid by monthly pension payments or by lump-sum payment upon retirement.
- (2) In accordance with the pension insurance system formulated by the People's Republic of China, ACI, OCI and FUJIAN has allocated provisions for pension insurance based on a specified ratio of the overall wage of local employees. Each employee's retirement pension is managed by the government, and ACI, OCI and FUJIAN have no further obligations except to be responsible for monthly allocation.
- (3) AEI and OHU currently have a personal pension scheme under the Company's support. The Company and the employees are jointly liable for the employee's pension fund, of which the company allocates 3% of total wage, and the pension is capped by the amount paid by employees.
- (4) ASG, ANI, AGI ,ONI and JETWAYUS shall allocate pensions in accordance with local laws and regulations.
- (5) Pension costs recognized by AAEON in accordance with the above retirement policy for were \$57,509, and \$50,857, for the years ended December 31, 2024 and 2023, respectively.

(XV) Share-based Payment

1. The Company

(1) The Company had the following share-based payment agreement active for the nine-months periods ended December 31, 2024 and 2023:

		Quantity		
		granted	Contract	Vesting
Arrangement type	Grant date	(thousand)	period	conditions
Plan of employee	2019.11.26	3,000	5 years	Service of
stock options			- -	2~4 years

All of the above arrangements are for equity-settled share-based payments.

(2) Details of the aforementioned share-based payment arrangement:

	For the year ended December 31 2024		
		Weighted	
	No. of units	average	
	(shares in	exercise price	
	thousands)	(in dollars)	
Options outstanding at beginning of period	1,218	\$ 63.1	
Options exercised (1,023)	59.5	
Options expired (195)	-	
Options outstanding at the end of period		-	
Options exercisable at the end of period			
	For the year ended 202		
		Weighted	

	202	23	
		Weig	ghted
	No. of units (shares in thousands)	average exercise pric (in dollars)	
Options outstanding at beginning of period	1,877	\$	63.1
Options exercised (659)		62.3
Options outstanding at the end of period	1,218		60.7
Options exercisable at the end of period	1,218		

(3) The maturity date and exercise price of outstanding share options at the end of the reporting period are as follows:

			2024/12/31		
			Number of		
	Authorized		shares	Е	xercise price
Arrangement type	issue date	Maturity date	(in thousands)		(in dollars)
Plan of employee	2019.11.26	2024.11.25	1,218	\$	60.7

(4) The fair value of employee stock options is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

		Quantity			Expected	Expected	Risk-free	Fair value
Arrangement		granted	Stock	Exercise	price	option	interest	per unit
type	Grant date	(thousand)	_price	_price	Volatility	life	rate	(in dollars)
Plan of	2019.11.26	3,000	\$ 72.3	\$ 72.3	26.88%	3.875	0.58%	\$ 15.7445
employee stock						years		
options								

(5) Expenses of share-based payment transaction:

	For the years ended December 31,				
	2024			2023	
Equity settlement	\$		\$	2,840	

2. Subsidiary- ONYX HEALTHCARE INC. (ONYX)

(1) ONYX had the following share-based payment agreement active for the years ended December 31, 2024 and 2023:

		Quantity		
		granted	Contract	Vesting
Arrangement type	Grant date	(thousand)	period	conditions
Plan of employee	2020.08.06	1,000	5 years	Service of
stock options				2~4 years

All of the above arrangements are for equity-settled share-based payments.

(2) Details of the aforementioned share-based payment arrangement:

	F	for the year ended	Dece	mber 31, 2024
				Weighted
		No. of units	av	erage exercise
		(shares in thousands)		price (in dollars)
Options outstanding at beginning of period		625	\$	110.5
Options exercised	(84)	98.4
Options expired	(6)	-
Options outstanding at the end of period	_	535		94.1
Options exercisable at the end of period		535		-
	F	For the year ended	Dece	mber 31 2023

For the year ended December 31, 2023				
		Weighte	d	
No. of uni	ts	average exer	cise	
(shares in	1	price		
thousands	s)	(in dollar	rs)	
	872	\$	114.7	
	52		-	
(255))	111.0	
(44))	-	
	625		110.5	
	405		-	
	No. of uni (shares in	No. of units (shares in thousands) 872 52 (255) (44) 625	Weighte No. of units (shares in thousands) 872 \$ 52 (255) (44) 625	

(3) The maturity date and exercise price of outstanding share options at the end of the reporting period are as follows:

			2024	1/12/31
			No. of units	
	Authorized		(shares in	Exercise price
Arrangement type	issue date	Maturity date	thousands)	(in dollars)
Plan of employee stock options	2020.08.06	2025.08.06	535	\$ 94.1
			2023	3/12/31
			No. of units	_
	Authorized		(shares in	Exercise price
Arrangement type	issue date	Maturity date	thousands)	(in dollars)
Plan of employee	2020.08.06	2025.08.06	625	\$ 110.5

stock options

(4) The fair value of employee stock options is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

		Quantity			Expected	Expected	Risk-free	Fai	r value
Arrangement		granted	Stock	Exercise	price	option	interest	pe	r unit
type	Grant date	(thousand)	price	price	Volatility	life	rate	(in	dollars)_
Plan of	2020.08.06	1,000	\$ 139.5	\$ 139.5	32.26%	3.88	0.29%	\$	35.39
employee stock						years			
options									

(5) Expenses of share-based payment transaction:

	Fe	For the year ended December 31,					
	2024			2023			
Equity settlement	\$	1,542	\$	3,590			

(XVI) Share capital

1. As of December 31, 2024, the Company's authorized capital was \$2,000,000 (including 5,000 thousand shares reserved for issuing employee stock options), with paid-in capital of \$1,694,512(including capital collected in advance \$820), divided into 169,451 thousand shares, each at par value of \$10 per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows (unit: shares in thousands):

	2024	2023
1/1	160,407	149,225
Employee stock options exercised	1,023	659
Capital surplus-stock dividends	8,021	-
Issuance of new shares in exchange for other company's shares	-	10,523
12/31	169,451	160,407

- 2. On April 30, 2019, the Company passed the issuance of employee stock options (ESOs) by resolution of the board of directors, which was amended on November 12, 2019 by resolution of the board of directors. A total of 3,000 ESOs were issued, and each ESO granted the right to buy 1,000 shares. A total of 3,000 thousand new common shares were issued for exercising the ESOs, of which the exercise price per share are set in accordance with relevant regulations.
- 3. As of December 31, 2024, AAEON's associates IBASE owned 43,773 thousand of AAEON's shares.
- 4. The Company has increased its capital by issuing 10,523 thousand common shares in exchange for 26,308 thousand common shares held by 11 shareholders of JETWAY in April, 2024. The project mentioned above has reported to TWSE and took effect, which completed registration in May, 2024.
- 5. On May 29, 2024, the company resolved in its shareholders' meeting to allocate \$80,204 from the capital surplus generated from issuing shares at a premium over par value to increase capital. This will be used to issue 8,021 thousand new shares, each with a par value of NT\$10. The plan to increase capital by transferring the capital surplus was approved by the Securities and Futures Bureau of the Financial Supervisory Commission on July 3, 2024, the change has been registered with the relevant authorities in September, 2024.
- 6. On May 29, 2024, the company resolved in its shareholders' meeting to issue employee stock warrants, totaling 3,000 units. Each unit of the stock warrant entitles the holder to subscribe for 1,000 shares. The total number of new common shares to be issued due to

the exercise of stock warrants is 3,000,000 shares, with a subscription price of NT\$100 per share. As of December 27, 2025, the issuance has not yet taken place.

(XVII) 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.

			202	.4			
	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Recognition of changes in ownership interest in subsidiary	Affiliate company net equity changes	Employee Share option	Others	Total
January 1	\$ 5,697,133			\$ 229,110	\$ 20,042	-	\$ 6,421,702
Stock dividends	(80,204)					
Changes in ownership interest in subsidiary Employee stock	-	-	(1,312)	-	-	- (1,312)
options exercised Change in associates and joint	66,722	-	3,597	-	(16,107	-	54,212
ventures accounted for under equity method	-	-	-	17,085	-	-	17,085
Share-based Payment	-	-	747	-	(3,935	3,935	747
December 31	\$ 5,683,651	\$ 233,002	\$ 243,038	\$ 246,195	\$ -	\$ 6,344	\$ 6,412,230
	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Recognition of changes in ownership interest in subsidiary	Affiliate company net equity changes	Employee Share option	Others	Total
January 1	\$ 4,804,131	\$ 233,002	\$ 229,677	\$ 164,713	\$ 27,438	\$ 2,409	\$ 5,461,370
Changes in ownership interest in subsidiary Employee stock	-	- (3,935)	-	-	- (3,935)
options exercised Effect from long-term investment that has	44,819	-	12,516	- (10,376)	-	46,959
not been recognized based on shareholding percentage Change in associates and joint	-	-	-	162	-	-	162
ventures accounted for under equity method Issuance of new	-	-	-	64,235	-	-	64,235
shares in exchange for other company's shares Share-based	848,183	-	1,748	-	2,980	- -	848,183 4,728
Payment	\$ 5,697,133	\$ 233,002		\$ 229,110	·	\$ 2,409	_
December 31	\$ 5,697,133	φ 255,002	φ <u>∠40,000</u>	φ 449,110 ————	\$ 20,042	φ 2,409	\$ 6,421,702

(XVIII) Retained earnings

- 1. Under the Company's Article of Incorporation, the profit in a fiscal year, shall first be utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings at the beginning of the period shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.
- 2. Future dividend distributions shall be made based on considerations including financial, operational, and managerial factors. For the current year's distributable earnings, a portion or all may be allocated as dividends. At least 50% of distributable earnings must be allocated as dividends to shareholders, with the cash dividend not less than 50% of the total dividend amount. The actual amount distributed shall be determined by approval at the shareholders' meeting.
- 3. Unless losses have been covered or where legal reserve is distributed by the issuance of new shares or by cash in proportion to the shareholders' existing shareholding, the Company shall not make distributions out of legal reserve, of which only the portion of legal reserve which exceeds 25 percent of the paid-in capital may be distributed.
- 4. (1) For surplus distribution, the Company shall appropriate special reserve to the debit balance of other equity on the end of the reporting period. When the debit balance of other equity is reversed, the reversal amount can be included in distributable surplus.
 - (2) When adopting IFRSs for the first time, the special surplus reserve provided as of March 31, 2021, under the Financial Supervisory Commission's letter numbered 1090150022, shall be reversed proportionally upon subsequent use, disposal, or reclassification of related assets by the company.
- 5. The company resolved in its shareholders' meetings on May 29, 2024, and May 31, 2023, to approve the distribution of earnings for the fiscal years 2023 and 2022 as follows:

	2023				2022			
			Dividend	· ·			Dividend	
			per share				per share	
			(in NT				(in NT	
	Amount		dollars)		Amount		dollars)	
Provision (reversal) of Special reserve	\$ -			(\$	52,446))		
Legal reserve	96,684				107,411			
Cash dividends	 1,042,651	\$	6.50		746,127	\$	5.00	
	\$ 1,139,335			\$	801,092			

The result of appropriations of 2023 and 2022 which were the same as the proposal submitted by the Board of Directors.

6. The 2024 surplus distributions approved by the resolutions of the board of directors of the Company on February 29, 2024 are as follows:

	 2024		
		Dividends per	
		share	
	 Amount	(in dollars)	
Legal reserve	\$ 96,688		
Cash dividends	872,674	\$ 5.15	
	\$ 969,362		

As of February 27, 2025, the 2024 surplus distributions stated above has not yet been resolved by the shareholders.

(XIX) Operating income

	For the years ended December 31,					
		2024	2023			
Revenue from contracts with customers	\$	7,186,031 \$	8,073,203			

1. Disaggregation of revenue from contracts with customers

The Group's revenue come from the provision of goods and services that are transferred over time and at a point in time. The revenues are segmented into the following major product lines:

For the year ended December 31, 2024		IPC		Medical PC		Total
Revenue from Contracts with Customers	\$	5,952,617	\$	1,233,414	\$	7,186,031
Timing of revenue recognition	<u> </u>	5 050 055	Φ.	1 205 260	Φ.	7 155 215
At a point time Over time	\$	5,950,055 2,562	3	1,205,260 28,154	3	7,155,315 30,716
Total	\$	5,952,617	\$	1,233,414	\$_	7,186,031
For the year ended December 31, 2023		IPC		Medical PC		Total
Revenue from Contracts with Customers	\$	6,582,319	\$	1,490,884	\$	8,073,203
Timing of revenue recognition At a point time Over time	\$	6,580,318 2,001	\$	1,469,117 21,767	\$	8,049,435 23,768
Total	\$	6,582,319	\$	1,490,884	\$	8,073,203

2. Contract liability

(1) Recognized contract liabilities relative to revenue from contracts with customers are as follows:

	 2024/12/31		2023/12/31	2023/1/1
Contract Liability - Current:				
Advances from customers	\$ 255,146	\$	216,338	\$ 244,311
Warranty contract	8,150		9,226	10,900
Contract Liability -				
Non-current:				
Advances from customers	38,290		44,848	54,939
Warranty contract	17,921		13,838	18,486
Total	\$ 289,507	\$	284,250	\$ 328,636

(2) Recognized income of contract liabilities at January 1

() 5			,			
]	For the year	rs ende	d Decer	mber 31,
			2024			2023
Beginning balance of co	ontract liab	ilities Rec	ognized inc	ome		
Advances from custor	ners	\$	16	4,014	\$	187,645
Warranty contract				9,149		10,900
Total		\$	17	3,163	\$	198,545
(XX) Other income						
]	For the year	rs ende	d Decer	nber 31,
			2024			2023
Rental income		\$	2	1,239	\$	20,838
Dividend income			1	5,290		18,390
		\$	3	6,529	\$	32,228
(XXI) Other gains and losses						
		For	the years e	nded I	Decembe	er 31,
		202	4		2	023
Net loss on financial assets liabilities at fair value the profit or loss			218,181	\$		130,978
Gain (loss) on Foreign cur exchange	•		204,555	(14,497)
Loss on disposal of property, and equipment	plant (883)(2,631)
Depreciation of investment property, buildings.	(8,244)(6,277)
Gain on lease modification			542			18
Government subsidy			21,511			4,407
Other income			51,177			44,364
	\$		486,839	\$		156,362
(XXII) Financial costs						
		For the	e years end	ed Dec	amhar 3	:1
		2024	z years end	cu Dec)23
Interest expenses	\$		3,505	\$		2,965
Interest expense on lease liabilities			5,077			3,497
	\$		8,582	\$		6,462

			F	or	the years en	dec	d December 3	31,				
			2024				2023					
	(Operating	Operating			-	Operating		Operating			
		cost	expense		Total		cost		expense		Total	
Employee			_								_	
benefits	\$	348,336	\$ 1,300,398	\$	1,648,734	\$	350,255	\$	1,201,677	\$	1,557,932	
expenses												
Depreciation		53,512	94,009		147,521		51,433		74,559		125,992	
expense		33,312	74,007		147,521		31,433		74,557		123,772	
Amortization		1,011	91,100		92,111		270		63,152		63,422	
expenses		1,011	71,100		,2,111		270		03,132		03,122	

(XXIV)Employee benefit expenses

	For the years ended December 31,							
		2024	2023					
Salaries and wages	\$	1,451,900 \$	1,375,325					
Labor and health insurance fees		120,715	106,454					
Pension costs		57,380	51,084					
Other personnel expenses		18,739	19,069					
	\$	1,648,734 \$	1,551,932					

- 1. According to the Articles of Incorporation of the Company, the Company accrued employees' compensation at rates of no less than 5% and remuneration of directors and supervisors at rates of no higher than 1%, of the remaining profit after deducting accumulated losses.
- 2. In 2024 and 2023, based on the percentage stipulated in the Articles of Incorporation, employee compensation was estimated at \$87,389 and \$97,518 respectively, while the remuneration of directors and supervisors were estimated at \$9,630 and \$7,200 respectively, which are recognized as salary expenses and wages.

Employees' compensation and directors' remuneration for 2023 as resolved at the meeting of Board of Directors were in agreement with those amounts recognized in the 2022 financial statements., which were \$97,518 and \$7,200, respectively. Employees' compensation was distributed in cash.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(XXV) <u>Income tax</u>

- 1. Income tax expense
 - (1) Components of income tax expense:

		For the years end	ded Dec	ember 31,		
		2024	2023			
Current income tax:						
Income tax from current income	\$	180,875	\$	235,284		
Surtax on undistributed Retained Earnings		263		18,889		
Adjustments in respect of prior period	(5,066)	(5,732)		
Total current income tax		176,072		248,441		
Deferred tax						
Origination and reversal of temporary differences		34,495		25,082		
Income tax expense	\$	210,567	\$	273,523		
			_			

(2) Income tax relative to other comprehensive income:

	ŀ	For the years ended December 31,							
		2024	2023						
Currency translation differences Remeasurement amounts of defined benefit obligations	\$	15,199 (\$ 2,152)						
		190	86						
_	\$	15,389 (\$ 2,066)						

2. Reconciliation between income tax expense and accounting profit

		For the years end	ember 31,	
		2024		2023
Income tax calculated by based on profit before tax and statutory tax rate (Note)	\$	307,055	\$	347,482
Expenses disallowed by tax regulation		-		18
Tax exempt income by tax regulation	(101,177)	(97,758)
Temporary differences unrecognized as deferred tax assets		9,492		10,624
Prior year income tax overestimation	(5,066)	(5,732)
Income tax on undistributed earnings		263		18,889
Income tax expense	\$	210,567	\$	273,523

Note: The basis of the applicable tax rate is depends on the the relevant country regulation.

3. Amounts of deferred tax assets as a result of temporary differences and tax loss are as follows:

						2024					
Deferred tax assets:	January 1			Recognized in profit or loss		Recognized in other comprehensive income		Effect of exchange rate changes		December 31	
Temporary differences:											
Unrealized provisions for warranty Unrealized gross margin Decline in value of inventories Currency translation differences	\$	11,025 19,144 28,718 5,002	(\$	1,811) 1,652 3,933)	\$	5,002)	\$	- - -	\$	9,214 20,796 24,785	
Others		24,852	(9,214)		2				15,640	
Subtotal	\$	88,741	(\$	13,306)((\$	5,000)	\$	-	\$	70,435	
Deferred tax liabilities: Investment income from foreign investees	(\$	72,688)(\$	13,517)	\$	-	\$	_	(\$	86,205)	
Depreciation Tax difference	(147,626)	17,269		-		-	(130,357)	
Actuarial gains and losses on defined benefits	(2,226)	- ((192)		-	(2,418)	
Currency translation differences	(2,151)	- ((10,197)		-	(12,348)	
Unrealized exchange gains and losses		-	(26,704)		-		-	(26,704)	
Others	(6,182)	1,763		- (17) (4,436)	
Sub-total	(\$	230,873)(21,189)((10,389)		17	(\$	262,468)	
Total	(\$	142,132	(\$	34,495)	(\$	15,389)	\$	17	(\$	192,033)	

							202					
January 1		nuary 1		Recognized in profit or loss		Recognized in other comprehensive income		Additions- due to changes in consolidated entities		Effect of schange rate changes	December 31	
Deferred tax assets: Temporary differences: Unrealized												
provisions for warranty	\$	9,148	(\$	1,120)	\$	-	\$	2,997	\$	-	\$	11,025
Unrealized gross margin		17,752	(7,091)		-		8,483		-		19,144
Decline in value of inventories Investment income		28,758	(8,643)		-		8,603		-		28,718
from foreign investees		3,127	(3,127)		-		-		-		-
Currency translation differences		633		-		2,194		2,175		-		5,002
Others		14,829		911		-		9,087		25		24,852
Subtotal	\$	74,247	(\$	19,070)	\$	2,194	\$	31,345	\$	25	\$	88,741
Deferred tax liabilities: Investment income from foreign investees	(\$	55,747)(\$	16,695)	\$	-	(\$	246)	\$	-	(\$	72,688)
Depreciation Tax difference		-		11,842		-	(159,468)		-	(147,626)
Actuarial gains and losses on defined benefits		-		- ((86) (2,140)		-	(2,226)
Currency translation differences	(2,109)	- ((42))	-		-	(2,151)
Others	(5)(1,159)			(5,053)		35	(6,182)
Sub-total	(\$	57,861) (6,012)	(128)(326,375)		35	(\$	230,873)
Total	\$	16,386	(\$	25,082)	\$	2,066	(295,030)	\$	60	(\$	142,132)

^{4.} The corporate income tax for our company and domestic subsidiaries has been approved by the tax authorities up to the year of 2022.

	For the	e year ended December	31, 2024
	Amount after-tax	Weighted average outstanding shares (in thousand)	Losses per share (in dollars)
Basic (diluted) losses per share		(======================================	(555 5.75555)
Profit attributable to ordinary shareholders of parent company Diluted earnings per share Dilutive effect of potential ordinary shares	\$ 966,877	125,272	\$ 7.72
Employees' bonuses		795	
Profit attributable to ordinary shareholders of parent company plus assumed conversion of all			
dilutive potential ordinary shares	\$ 966,877	126,067	\$ 7.67
	For the Amount after-tax	e year ended December Weighted average outstanding shares (in thousand)	31, 2023 Losses per share (in dollars)
Basic (diluted) losses per share			
Profit attributable to ordinary shareholders of parent company <u>Diluted earnings per share</u> Dilutive effect of potential ordinary shares	\$ 969,345	120,786	\$ 8.03
ordinary shares Employee stock options Employees' bonuses Profit attributable to ordinary shareholders of parent company		677 905	
plus assumed conversion of all dilutive potential ordinary shares	\$ 969,345	122,368	\$ 7.92
The Company applies the es			

The Company applies the equity method for the exchange of shares with IBASE, and applies the treasury stock method for investments on IBASE. In calculating earnings per share, the Company recognizes IBASE's shareholding as treasury shares which is a deduction from equity.

The Company, resolved at the shareholders' meeting to issue new shares through a capital increase by transferring capital surplus on May 29, 2024. The base date for the capital increase is September 3, 2024. The retrospective adjustment of outstanding shares has been made in accordance with the capital increase ratio from the capital surplus.

(XXVII) Business combinations

1. On April 28, 2024, the Company increased its capital by issuing 10,523 thousand common shares in exchange for 26,308 thousand 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 the Company 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 relative activities and control over the company, JETWAY was included in the Group's consolidated financial statements from the acquisition date. The Group expects to expand the operating scale of both parties and improve the overall operating performance through the integration of corporate resources.

2. On the acquisition date, the consideration paid for JETWAY, the fair value of identified assets and liabilities, non-controlling interests in the identified net assets of the acquiree.

Acquisition consideration		2024/4/28
Equity instrument	\$	953,416
Fair value of equity interest held by the Company before the acquisition date	;	4,949
Non-controlling interests in the identified net assets of the acquiree	;	1,383,476
•		2,341,841
The fair value of identified assets and liabilities		
Cash		758,967
Financial assets measured at amortized cost-current		130,740
Accounts receivable		76,993
Other receivables		1,490
Current tax assets		51
Inventories		373,626
Prepayments		20,050
Other current assets		2,453
Property, plant and equipment		646,332
Right-of-use assets		67,528
Intangible assets		536,886
Deferred tax assets		31,345
Other non-current assets		10,418
Contract liability - current	(41,858)
Accounts payables and Notes payables	(117,337)
Other payables	(102,917)
Current tax liabilities	(34,942)
Provisions - current	(15,396)
Lease liability	(25,883)
Other current liabilities - other	(1,915)
Deferred tax liabilities	(166,907)
Other non-current liabilities	(12,273)
Total value of indentified net assets		2,137,451
Goodwill	\$	204,390
0 77 0' 1 1' 0070 416 0 10 700 1		1 ~

3. The fair value totaling \$953,416 of 10,523 thousand shares of the Company's ordinary shares issued as part of the consideration paid for JETWAY was based on

- the published share price on April 28, 2024.
- 4. The Group had 0.19% equity interest in JETWAY before the combination, and recognized a gain on disposal of investments of \$118 as a result of remeasuring at fair value.
- 5. From the April 28, 2024 to the end of December 31, 2024, JETWAY had contributed the revenue and profit before income tax were \$944,712 and \$136,019 separetly. If the acquisition date from the beginning of the year, the consolidated revenue and profit before income tax of the Group would be \$8,459,242 and \$1,477,692.

(XXVIII) Supplemental cash flow information

Investing activities with partial cash payments:

Acquisition of property, plant and equipment
Add: Opening balance of payable on equipment
Less: Ending balance of payable on equipement
Cash paid during the period

For the years ended December 31,								
	2024		2023					
\$	80,927	\$	116,472					
	2,817		4,322					
	557)	(2,817)					
\$	83,187	\$	117,977					

(XXIX)Changes in liabilities arising from financing activities

					202	4		
	~1		bo	ong-term orrowings including		_		
		ort-term rrowings		current portion)	_	Lease liability		Total
January 1	\$	27,000	\$	144,975	\$	148,437	\$	320,412
Changes in cash flow from financing		53,000	(10,416)	(65,856)	(23,272)
Effect on changes in exchange rate		-		-		1,116		1,116
Changes in others without cash flow		-		-		77,228		77,228
Cash paid during the period	\$	80,000	\$	134,559	\$	160,925	\$	375,484
					202	3		
		ort-term	bo (i	ong-term orrowings including current portion)		Lease liability		Total
January 1	\$		\$	155,286	\$	123,174	\$	278,460
Changes in cash flow from financing		27,000	(10,311)	(56,511)	(39,822)
Effect on changes in exchange rate		-		-		912		912
Effects due to changes in consolidated entities						25,883		25,883
Changes in others without cash flow		-		_		54,979		54,979
Cash paid during the period	\$	27,000	\$	144,975	\$	148,437	\$	320,412

VII. Related party transaction

(I) Parent and ultimate controlling party

The Company is controlled by ASUSTEK COMPUTER INC. (incorporated in R.O.C.), the ultimate parent of the Company with 37.46% ownership (including indirect shareholdings) of the Company.

(II) Related parties

Name of related party	Relation				
ASUSTEK COMPUTER INC.	Ultimate parent company				
IBASE TECHNOLOGY INC.	Associate - Investee accounted for under the equity method				
IBASE GAMING INC.	Associate - Subsidiary of IBASE TECHNOLOGY INC.				
IBASE (SHANGHAI) TECHNOLOGY INC.	Associate - Subsidiary of IBASE TECHNOLOGY INC.				
LITEMAX ELECTRONICS INC.	Associate - Investee accounted for under the equity method				
WINMATE INC.	Associate - Investee accounted for under the equity method the Company's subsidiary				
PROTECTLIFE INTERNATIONAL BIOMEDICAL INC.	Associate - Investee accounted for under the equity method by the Company's subsidiary (Note)				
MACHVISIONINC.	Other related party - the Company's Chairman as a director				
ATECH OEM INC.	Other related party - the Company's Chairman as a director				
FU LI INVESTMENT INC.	Other related party - the Company's Chairman as Fuli's Chairman				
EVERFOCUS ELECTRONICS CORP.	Other related party - the Company's Chairman as EVERFOCUS ELECTRONICS CORP's Chairman				
EVERFOCUS ELECTRONICS (SHENZHEN) CO., LTD.	Other related party - the Company's Chairman as EVERFOCUS ELECTRONICS CORP's Chairman				
YAN XIN INVESTMENT Co., Ltd.	Other related party - the Company's Chairman as YAN XIN INVESTMENT Co., Ltd.'s Chairman				
AAEON EDUCATION FOUNDATION	Other related party - the Company's Chairman as a director				
WT MICROELECTRONICS CO.	Other related party - Investee accounted for under the equity method by the Company's Fellow subsidiary				
TECHMOSA INTERNATIONAL INC.	Other related party - Investee accounted for under the equity method by the Company's Fellow subsidiary				
MORRIHAN INTERNATIONAL CORP.	Other related party - Investee accounted for under the equity method by the Company's Fellow subsidiary				
NUVISION TECHNOLOGY, INC.	Other related party - Investee accounted for under the equity method by the Company's Fellow subsidiary				
Portwell, Inc.	Other related party - Investee accounted for under the equity method by the Company's Ultimate parent company				
MAXTEK TECHNOLOGY CO., LTD.	Other related party - Investee accounted for under the equity method by the Company's Fellow subsidiary				
FUTURE ELECTRONICS INC.	Other related party - Investee accounted for under the equity method by the Company's Fellow subsidiary				
FUTURE ELECTRONICS INC.(DISTRIBUTION) PTE LTD.	Other related party - Investee accounted for under the equity method by the Company's Fellow subsidiary				

Name of related party	Relation
SPARK TECHNOLOGIES	Other related party - the Company's Chairman is spouse of
INC.	SPARK TECHNOLOGIES INC.'s Chairman
LYDS TECH.	Other related party - the Company's Chairman is spouse of
	LYDS TECHNOLOGIES INC.'s Chairman
FU-YANG INVESTMENT	Other related party - the Company's Chairman is spouse of
INC.	FU-YANG INVESTMENT INC.'s Chairman
JUI HAI INVESTMENT Co.,	Other related party - the Company's Chairman is spouse of
Ltd.	JUI HAI INVESTMENT Co., Ltd.'s Chairman
ASUS COMPUTER	Fellow subsidiary — same as ultimate parent entity
INTERNATIONAL	
ASUS GLOBAL PTE. LTD	Fellow subsidiary — same as ultimate parent entity
MEDUS TECHNOLOGY INC.	Fellow subsidiary — same as ultimate parent entity
Note: PROTECTLIFE INTERNA	ATIONAL BIOMEDICAL INC. is the affiliate company of

Note: PROTECTLIFE INTERNATIONAL BIOMEDICAL INC. is the affiliate company of the Group form February 2024.

(III) Significant transactions with related parties

1. Operating income

	For the years ended December 31,						
		2024	2023				
Sales of goods							
Ultimate parent entity	\$	763	\$	11,144			
Associates		8,389		5,283			
Other related party		47,625		51,713			
Total	\$	56,777	\$	68,140			

The Group's sales price to each of the aforementioned related parties is set based on the economic environment and market competition of each sales region. The collection periods of the Group to related parties are month-end 60 days or open account 30 days, the collection terms were approximately the same as those with third parties.

2. Purchases

	For the years ended December 31,						
		2024					
Goods purchased							
Ultimate parent entity	\$	766,883 \$	661,080				
Associates		33,197	42,790				
Fellow subsidiary		3,200	22,836				
Other related party		114,704	127,771				
Total	\$	917,984 \$	854,477				

The payment term of related parties to the Group are in accordance with its general terms and conditions (market prices), month-end 30 days or month-end 30-60 days.

3. Operating expenses

Ultimate parent entity	For the years ended December 31,						
	<u> </u>	2024					
	\$	80,111 \$	76,456				
Associates		2,411	2,856				
Fellow subsidiary		46	21				
Other related party		8,318	8,353				
	\$	90,886 \$	87,686				

- (1) The above operating expenses mainly comprised technical service fees, and were presented as operating expenses R&D expense.
- (2) The above operating expenses include the amount donated by the Group to other related parties. The donation amount for 2024 and 2023 fiscal years is \$4,000 and \$3,000 each, aimed at promoting technology education and cultural development, fulfilling corporate social responsibility, and enhancing the corporate image of public welfare.

4. Receivable from related parties

Accounts Receivables	2024/12/31			2023/12/31
Ultimate parent entity	\$	-		90
Associates		201		803
Other related party		943		35,787
Total	\$	1,144	\$	36,680
Other Receivables		2024/12/31		2023/12/31
Associates	\$	337	\$	319
Other related party		261		-
	\$	598	\$	319

Mainly comprised system service receivable

5. Payables from related parties

	20	24/12/31	2023/12/31		
Accounts Payable					
Ultimate parent entity	\$	58,151 \$	52,099		
Associates		3,353	4,683		
Other related party		13,737	13,159		
Total	\$	75,241 \$	69,941		

6. Other payables

1 7	20	24/12/31	2023/12/31		
Other Payables					
Ultimate parent entity	\$	43,695	\$	37,691	
Associates		219		19	
Fellow subsidiary		15		-	
Other related party		-		128	
Total	\$	43,929	\$	37,838	

Mainly comprises technical service fee payable; refer to Note 7. (3)3 for details.

7. Assets transaction

(1) Acquision of Property, plant and equipment

For the years ended December 31							
	2024		2023				
\$	-	\$	335				
		•					
	For the years en	ded Dec	ember 31				
	2024		2023				
\$	2,992	\$	2,674				
							
For the years ended December 31							
	2024		2023				
\$	3,548	\$					
		2024 \$ - For the years en 2024 \$ 2,992 For the years en 2024	For the years ended Dec 2024 \$ 2,992 \$ For the years ended Dec 2024				

(IV) Key management remuneration

	For the years ended December 31,				
		2024		2023	
Salaries and other short-term employee benefits	\$	87,309	\$	96,177	
Post-employment benefits		2,170		1,857	
Stock-based compensation		802		2,895	
Total	\$	90,281	\$	100,929	

VIII. Pledged Assets

The Group's pledged assets are summarized below:

	Book value				
Pledged assets	20	24/12/31	2023/12/31		Guarantee purpose
Land, and building					
(Property, Plant and Equipment,	\$	696,266	\$	691,968	Loans and credit limits
investment property)					
Restricted time deposit					Foreign exchange
(Financial assets measured at amortized		983		31,626	Foreign exchange forward transactions,
cost-current)					
Guarantee deposits (including					Office, warehouse
Other non-current assets)		15,739		14,512	deposit and project
					guarantee deposit.
	\$	712,988	\$	738,106	

IX. <u>Material Contingent Liabilities and Unrecognized Contractual Commitments</u>

(I) Contingencies

None.

(II) Commitments

As of December 31, 2024, the Group has issued a promissory note of \$ 450,000 required for the application a comprehensive credit line and transactions of derivatives.

X. Losses Due to Major Disasters

None.

XI. Material Subsequent Events

For the 2024 surplus distribution proposed by the board of directors in February 27, 2024, please refer to Note 6 (18) 6.

XII. Others Matters

(I) <u>Capital management</u>

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.

(II) Financial instrument

1. Type of financial instrument

	2	024/12/31	 2023/12/31
Financial asset			
Financial assets at fair value throuth profit or low			
Financial assets mandatorily measured at fair value through profit or loss	\$	746,631	\$ 485,915
Financial assets at fair value through other comprehensive income			
Designation of equity instrument		151,048	68,756
Financial assets at amoritized cost/ loans and receivables			
Cash and cash equivalents		4,270,200	4,347,976
Financial assets measured at amortized cost-current		90,552	62,331
Notes receivable		45,323	13,400
Accounts receivable		832,074	919,566
Other receivables		27,186	17,377
Refundable deposits (including other non-current assets)		15,739	14,512
	\$	6,178,753	\$ 5,929,833
inancial liability			
Financial liabilities at amortized cost			
Short-term borrowings	\$	391	\$ -
Short-term borrowings		80,000	\$ 27,000
Notes payable		-	2
Accounts payable (including related parties)		458,745	522,666
Other payables		667,921	672,350
Long-term borrowings (including current portion)		134,559	 144,975
	\$	1,341,616	\$ 1,366,993
Lease liabilities (including current and non-current)	\$	160,925	\$ 148,437
Risk management policy			

2. Risk management policy

The Group adopts a comprehensive risk management system for the management to clearly identify, measure and control all risks to achieve effective control and measurement.

The Group's Control and management strategies are as follows:

- (1) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, the Group has exchange forward contracts to hedge certain exchange rate risk. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.
- (2) The Group's key financial planning is reviewed by the Board of Directors in accordance with relevant regulations and internal control systems. When implementing financial plans, the Group's Finance Department strictly adheres to written principles established for overall risk management and provides written policies for specific areas and matters, such as foreign exchange risk management and financial operation procedures related to authority and responsibility allocation.
- (3) Information about derivative financial instruments that are used to hedge certain exchange rate risk are provided in Note 6(2).
- 3. The nature and level of material financial risks
 - (1) Market risk

Exchange rate risk

- A. The Group's international operations have been subject to exchange rate risks arise from transactions denominated in a currency other than the functional currencies of the Company and its subsidiaries, which includes main currencies such as USD, SGD, EUR and RMB. Related exchange rate risks arise from future business transactions and recognized assets and liabilities.
- B. The Group's management has established a policy that requires each company within the group to manage its functional currency's exchange rate risk. Each company should hedge its overall exchange rate risk through the finance department. The measurement of exchange rate risk is based on the expected transactions of highly probable US dollar income, and forward foreign exchange contracts and currency swaps are used to reduce the impact of exchange rate fluctuations on expected purchasing costs of inventory.
- C. Since the Group's businesses involves certain non-functional currencies (NTD is the functional currency of the Company and part of its subsidiaries, while the functional currencies of other subsidiaries include USD, SGD and RMB), it may be affected by exchange rate fluctuations. The foreign currency assets and liabilities that may be significantly affected by exchange rate fluctuations are as follows:

	-	Foreign currency	F 1 4		Book value
(Fausian annuanan)	-	(in thousands)	Exchange rate		(NTD)
(Foreign currency: functional currency)					
Financial asset					
Monetary items					
USD:NTD	\$	86,322	32.79	\$	2,830,498
EUR:NTD		852	34.14		29,087
USD:CNY		70	7.32		2,295
USD:SGD		830	1.36		27,216
Financial liability					
Monetary items					
USD:NTD	\$	10,983	32.79	\$	360,133
USD:CNY		1,059	7.32		34,725
USD:SGD		711	1.36		23,314
	_		2023/12/31		
	=	Foreign currency			Book value
(F	-	Foreign currency (in thousands)	2023/12/31 Exchange rate		Book value (NTD)
(Foreign currency: functional currency)	-				
	-				
functional currency)	-				
functional currency) Financial asset	\$			\$	
Financial asset Monetary items	\$	(in thousands)	Exchange rate	\$	(NTD)
Financial asset Monetary items USD:NTD	\$	(in thousands) 108,925	Exchange rate 30.71	\$	(NTD) 3,345,087
Financial asset Monetary items USD:NTD EUR:NTD	\$	(in thousands) 108,925 1,048	Exchange rate 30.71 33.98	\$	(NTD) 3,345,087 35,611
functional currency) Financial asset Monetary items USD:NTD EUR:NTD USD:CNY	\$	(in thousands) 108,925 1,048 169	30.71 33.98 4.33	\$	(NTD) 3,345,087 35,611 5,190
Financial asset Monetary items USD:NTD EUR:NTD USD:CNY USD:SGD	\$	(in thousands) 108,925 1,048 169	30.71 33.98 4.33	\$	(NTD) 3,345,087 35,611 5,190
functional currency) Financial asset Monetary items USD:NTD EUR:NTD USD:CNY USD:SGD Financial liability	\$	(in thousands) 108,925 1,048 169	30.71 33.98 4.33		(NTD) 3,345,087 35,611 5,190
Financial asset Monetary items USD:NTD EUR:NTD USD:CNY USD:SGD Financial liability Monetary items		(in thousands) 108,925 1,048 169 25	30.71 33.98 4.33 23.29		(NTD) 3,345,087 35,611 5,190 768
functional currency) Financial asset Monetary items USD:NTD EUR:NTD USD:CNY USD:SGD Financial liability Monetary items USD:NTD		(in thousands) 108,925 1,048 169 25	30.71 33.98 4.33 23.29		(NTD) 3,345,087 35,611 5,190 768

- D. The overall realized and unrealized foreign exchange gains or (losses) of the Group's monetary items that may be significantly affected by exchange rate fluctuations in 2024 and 2023 were \$204,555 and (\$14,497) respectively.
- E. The Group's foreign currency risk analysis due to significant foreign exchange rate fluctuations is as follows:

_	For the year ended December 31, 2024									
·	Sensitivity analysis									
•				Effect on other						
	Extent of			comprehensive						
	change		Effect on income	income						
(Foreign currency:										
functional currency)										
Financial asset										
Monetary items										
USD:NTD	1%	\$	28,305 \$	-						
EUR:NTD	1%		291	-						
USD:CNY	1%		23	-						
USD:SGD	1%		272	-						
Financial liability										
Monetary items										
USD:NTD	1%	\$	3,601 \$	-						
EUR:NTD	1%		347	-						
USD:SGD	1%		233	-						
	For	the	e year ended Decembe	er 31, 2023						
·			Sensitivity analysis	S						
-				Effect on other						
				Effect on other						
	Extent of			comprehensive						
	Extent of change		Effect on income							
(Foreign currency:			Effect on income	comprehensive						
(Foreign currency: functional currency)			Effect on income	comprehensive						
(Foreign currency: functional currency) Financial asset		, , -	Effect on income	comprehensive						
functional currency) Financial asset			Effect on income	comprehensive						
functional currency)		\$	Effect on income 33,451 \$	comprehensive						
Financial asset Monetary items	change			comprehensive						
functional currency) Financial asset Monetary items USD:NTD	change		33,451 \$	comprehensive						
functional currency) Financial asset Monetary items USD:NTD EUR:NTD	change 1% 1%		33,451 \$ 356	comprehensive						
functional currency) Financial asset Monetary items USD:NTD EUR:NTD USD:CNY	1% 1% 1%		33,451 \$ 356 52	comprehensive						
Financial asset Monetary items USD:NTD EUR:NTD USD:CNY USD:SGD	1% 1% 1%		33,451 \$ 356 52	comprehensive						
functional currency) Financial asset Monetary items USD:NTD EUR:NTD USD:CNY USD:SGD Financial liability	1% 1% 1%		33,451 \$ 356 52	comprehensive						
functional currency) Financial asset Monetary items USD:NTD EUR:NTD USD:CNY USD:SGD Financial liability Monetary items	1% 1% 1% 1% 1% 1%	\$	33,451 \$ 356 52 8	comprehensive						
functional currency) Financial asset Monetary items USD:NTD EUR:NTD USD:CNY USD:SGD Financial liability Monetary items USD:NTD	1% 1% 1% 1%	\$	33,451 \$ 356 52 8	comprehensive						
functional currency) Financial asset Monetary items USD:NTD EUR:NTD USD:CNY USD:SGD Financial liability Monetary items USD:NTD EUR:NTD EUR:NTD	1% 1% 1% 1% 1% 1%	\$	33,451 \$ 356 52 8 3,623 \$ 2	comprehensive						

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 porfolio. Diversification of the portifolio is done in accordance with the limits set by the Group.
- B. The Group mainly invests in equity instruments and open-end funds issued by domestic companies. The value of equity instruments is susceptible to market price risk arising from uncertainties about future performance of equity markets. Assuming a hypothetical increase or decrease 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 or decrease net income for the years ended December 31, 2024 and 2023 by \$5,932 and \$3,293, respectively. A change of 1% in the price of the aforementioned financial assets at fair value

through other comprehensive income could increase or decrease the Group's other comprehensive income for the years ended December 31, 2024 and 2023, amounted to \$1,510 and \$688.

Cash flow and fair value interest rate risk

- A. The Group's interest rate risk arises mainly from short-term and long-term borrowings issued at variable rates, which exposes the Group to cash flow interest rate risk is partially offet by by cash and cash equivalents held at variable rates. During the year ended December 31, 2024 and 2023, the Group's borrowings at variable rate were mainly denominated in NTD.
- B. Assuming all other factors remain unchanged, if the NTD borrowing rate rises or falls by 0.25%, net income for the year ended December 31, 2024 will decrease or increase by \$429 and \$344, respectively, mainly due to changes in interest expenses that arise from floating rate borrowings.

(2) Credit risk

- A. The Group's credit risk refers to the risk that the counterparty to a financial instrument will cause a financial loss for the Group by failing to discharge its obligation under the contract, which is mainly due to the inability of counterparties to meet the terms of their contracts for collecting the cash flows of the receivables.
- B. The Group establishes credit risk policies based on its own risk management perspective. In accordance with internal credit policies, credit risks are required to be managed and analyzed before each of the Group's operating entity set up the terms and conditions for payment and delivery for each new customer. The internal risk control system evaluates the customers' credit quality based on their financial conditions, past experience and other factors. Individual risk exposure limits are set by the board of directors based on internal or external risk ratings, and credit lines are monitored on a regular basis.
- C. The Group adopts IFRS 9 to provide a presumption that default has occurred when contractual payments are more than 90 days past due.
- D. The Group adopts IFRS 9 to provide the following presumption as basis for judging whether the credit risk on a financial instrument has increased significantly since the initial recognition:
 - It is deemed that credit risk after the original recognition of financial assets has increased significantly when contractual payments are more than 30 days past due.
- E. The customers' accounts receivables are segmented based on customer type. A simplified loss rate approach is used for ECL measurement based on the provision matrix.
- F. The Group has written off the recoverable amount of financial assets that could not reasonably be estimated after recourse, but will continue to pursue recourse to preserve its rights. As of December 31, 2024, and 2023, the Group had no recourse claims that had been written off.
- G. (1) Expected loss rate for customers of the outstanding credit group is estimated at 0.2%. Total accounts receivable and loss provisions for this group of customers were reported at: \$128,118 and \$256 as of December 31, 2024; \$169,182 and \$337 as of December 31, 2023.

(2) The Group considers the world economic outlook and future prospects when adjusting the loss rate that is set up based on historical and current loss period information, in order to estimate the loss of notes receivables and allowance for doubtful accounts of customers with general credit quality. The provision matrix as of December 31, 2024 and 2023 is as follows:

		Not yet due		Past due within 30 days	Past due 30 days		Past due 60 days		Past due 90 days	Past due 120 days	Total
2024/12/31											
Expected loss rate		0%~1.37%		0%~7.20%	$0.01\%\sim13.00\%$		0.03%~38.56%		50%~100%	100%	
Total book value	\$	575,096	\$	168,535	\$ 7,101	\$	1,562	\$	5,840	\$ 14,314	\$ 772,448
Loss allowance	\$	1,186	\$	2,813	\$ 238	\$	32	\$	5,474	\$ 14,314	\$ 24,057
	_	Not yet due	_	Past due within 30 days	Past due 30 days	_	Past due 60 days	_	Past due 90 days	Past due 120 days	Total
2023/12/31											
Expected loss rate		0%~1.58%		0%~8.42%	0%~15.63%		0%~45.15%		3.47%~50.00%	100%	
Total book value	\$	616,185	\$	82,064	\$ 31,538	\$	106	\$	<u> </u>	\$ 17,075	\$ 746,968
Loss allowance	\$	1,005	\$	781	\$ 665	\$	1	\$	-	\$ 17,075	\$ 19,527

- (3) The expected loss rate for creditworthy related parties is 0.2%. As of December 31, 2024, and December 31, 2023, the total book value of accounts receivable from related parties amounted to \$1,144 and \$36,680, respectively, with no provision for bad debts.
- H. The Group's simplified approach of notes receivable and changes in allowance for doubtful accounts are as follows:

	Notes and accounts receivable (including related parties)							
		2024		2023				
January 1	\$	19,864	\$	21,597				
Recognition		3,745	(1,997)				
Write-offs		-	(195)				
Net exchange differences		704	(44)				
Effects due to changes in consolidated entities		-		503				
December 31	\$	24,313	\$	19,864				

From the loss recognized for the years ended December 31, 2024 and 2023, the impairment losses for accounts receivable arising from customer contracts were \$3,745 and (\$1,997), respectively.

- I. The financial assets held by the group, measured at amortized cost, consist of bank deposits with original maturities exceeding 3 months and restricted bank deposits. There are no significant abnormalities in credit risk ratings, and no significant expected credit losses are anticipated.
- (3) Liquidity risk
 - A. Cash flow is forecasted by each of the Group's operating entity and summarized by the finance department. The Group's finance department monitors liquidity forecasting to ensure that it has sufficient funds to meet the operational requirements.
 - B. The Group had available borrowing limits of \$1,303,917 and \$1,537,284 as of December 31, 2024 and 2023, respectively.

C. The table below analyzes the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date, whereas derivative financial liabilities are analyzed based on the remaining period at the balance sheet date to the expected maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

2024/12/31

Non-derivative financial						
<u>liabilities:</u>	With	in 1 year		1-2 years	2-3 years	Over 3 years
Short-term borrowings						
(including expected	\$	80,150	\$	-	\$ -	\$ -
interest)						
Accounts payable		458,745		_	_	_
(including related parties)						
Other payables		667,921		-	-	-
Long-term borrowings		10 15 1		10.154	10.154	110.005
(including current portion		13,174		13,174	13,174	110,897
		(7.210		52.501	15 240	24.502
		67,210		55,501	15,348	34,383
·						
_	\$	391		-	-	-
Contract						
2023/12/31						
	With	in 1 vear		1-2 years	2-3 years	Over 3 years
· · · · · · · · · · · · · · · · · · ·			_			- ,
•	\$	27,074	\$	_	\$ -	\$ -
interest)		ŕ				
Notes payable		2		-	-	-
Accounts payable		522 666				
(including related parties)		322,000		-	-	-
Other payables		672,350		-	-	-
Notes payable Accounts payable (including related parties)	With	27,074 2522,666	\$	53,501 - 1-2 years - -	·	Over 3 year

D. The Group's cash flows are not expected to occur significantly earlier than the maturity date, or to be significantly different from the actual amount.

13,076

47,517

13,076

38,734

39,229

29,721

97,010

43,974

(III) Information on fair value

Long-term borrowings (including current portion

and accured interest)
Lease liabilities

- 1. The various levels of fair value measurement of financial and non-financial instruments are 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. The fair value of the Group's investment in listed stocks, beneficiary certificates and convertibal bonds with quoted market prices are all included.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for

the asset or liability, either directly or indirectly. The OTC stocks and the fair value of derivative financial instruments invested by the Group are included.

- Level 3: Unobservable inputs for the asset or liability. This includes equity instruments of non-active markets invested by the Group.
- 2. For fair value information on investment property measured at cost, please refer to Note 6(9).
- 3. Financial instruments not measured at fair value

The carrying amounts of the Group's cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable, other receivables, guarantee deposits paid (classified under other non-current assets), short-term borrowings, notes payable, accounts payable (including related parties), other payables, long-term borrowings (including those due within one year or one operating cycle), and lease liabilities approximate their fair values.

- 4. The related information of 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 at 2024 and 2023 is as follows:
 - (1) The related information of the nature of the assets and liabilities is as follows:

follows:					
2024/12/31	1st Level	2nd Level	3rd Level		Total
Asset					
Recurring fair value measurements					
Financial assets at fair value through					
profit or loss					
Equity securities	\$ 474,613	\$ 5,055	\$ 113,493	\$	593,161
Beneficiary certificates	27,352	-	-		27,352
Convertibal bond	118,000	-	-		118,000
Hybrid instruments	-	-	8,118		8,118
Financial asset at fair value through					
other comprehensive income					
Equity securities	89,848	-	61,200		151,048
Total	\$ 709,813	\$ 5,055	\$ 182,811	\$	897,679
Liabilities					
Recurring fair value measurements					
Financial liabilities at fair value					
through profit or loss					
Derivative	\$ 	\$ 391	\$ 	\$_	391
2023/12/31	1st Level	2nd Level	3rd Level	_	Total
Asset					
Recurring fair value measurements					
Financial assets at fair value through					
profit or loss					
Equity securities	\$ 269,262	\$ 4,959	\$ 55,086	\$	329,307
Beneficiary certificates	26,974	-	-		26,974
Convertibal bond	121,000	-	-		121,000
Hybrid instruments	-	-	8,634		8,634
Financial asset at fair value through					
other comprehensive income					
Equity securities	 68,756	 -	 		68,756
Total	\$ 485,992	\$ 4,959	\$ 63,720	\$_	554,671

- (2) The Group's approaches and assumptions for fair value measurement are as follows:
 - A. The Group adopts quoted prices as inputs used to measure fair value (level 1) which are classified as follows based on the characteristics of the financial instruments:

	Listed and OTC stocks	Open-end funds	Convertibal bond
			The weighted
Market quoted price	Closing prices	Net asset value	average
			hundred-dollar 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.
- C. The Group adopts valuation techniques widely used by market participants for evaluating non-standardized and less complex financial instruments. The parameters used in the valuation models of such financial instruments are usually market observable information.
- D. The evaluation of derivatives is based on the valuation model generally accepted by market users, such as the discount method. Foreign currency forward contracts are usually evaluated based on the current forward exchange rates.
- E. The output of the evaluation model is an estimated value, and the valuation technique may not reflect all the relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value of the valuation model will be adjusted based on additional parameters, such as the model risk or liquidity risk. According to the Group's management policies of fair value valuation model and related control procedures, its management believes that valuation adjustments are appropriate and necessary for the fair values of financial and non-financial instruments to be presented fairly in the consolidated balance sheet. The price information and parameters used in the evaluation process are carefully evaluated, with appropriate adjustments according to current market conditions.
- 5. For the year ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.
- 6. The following table shows changes in 3rd level inputs in 2024 and 2023:

		2024		2023
	Equity	y instruments	Equity	instruments
January 1	\$	63,720	\$	84,128
Acquired in the period		111,200	<u> </u>	-
Decrease in the period	(1,877)		-
Transfer out 3rd Level		-	(25,155)
Recognized in profit (loss) (Note 1)		9,768		7,128
Recognition in other comprehensive profit (loss) (Note 2)		-	(2,381)
December 31	\$	182,811	\$	63,720
Changes in unrealized gains or losses on assets and liabilities owned at the				
end of the period (Note 1)	\$	9,768	\$	7,128
Note 1. December of as other sains (la	~~~~)			

Note 1: Recognized as other gains (losses).

Note 2: Recorded as unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income.

7. As February 9 of the year 2024, PROTECTLIFE INTERNATIONAL BIOMEDICAL INC. was reclassified as an investment accounted for using the equity method. For further details, please refer to Note 6(6). There had been no inward or outward transfer of level 3

- input for the year ended December 31, 2024.
- 8. The financial 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 financial 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.
- 9. 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:

	2024/1 Fair v		Valuation technique	Significant and unobservable input	Range (weighted average)	Relationship between input and fair value
Equity instruments:						
Unlisted and non-OTC stocks	\$	94,133	Net asset value approach	Not applicable	Not applicable	The higher the net assets value, the higher the fair value
Unlisted and non-OTC stocks	8	80,560	Discounted Cash Flow method	Note 1	Not applicable	Note 2
Hybrid instrument:						
Unlisted and non-OTC stocks	2	40,278	Discounted Cash Flow method	Note 1	Not applicable	Note 2
Embedded option	(3	32,160)	Options pricing model	Stock price volatility	Not applicable	The higher the stock price volatility, the higher the fair value

Equity instruments:	2023/12/31 Fair value	Valuation technique	Significant and unobservable input	Range (weighted average)	Relationship between input and fair value
Unlisted and non-OTC stocks	\$ 34,637	Net asset value approach	Not applicable	Not applicable	The higher the net assets 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	19,360	Discounted Cash Flow method	Note 1	Not applicable	Note 2
Hybrid instrument:	70.00 1		27. 4		
Unlisted and non-OTC stocks	59,291	Discounted Cash Flow method	Note 1	Not applicable	Note 2
Embedded option	(50,657)	Options 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 (WACC), long-term pre-tax operating profit, lack of marketability discount, and minority interest discount.

Note 2: The higher the discount for lack of market liquidity, the lower the fair value; The higher the weighted average cost of capital and minority interest discount, the lower the fair value; The higher the long-term revenue growth rate and long-term pre-tax operating profit, the higher the fair value.

10. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in a different outcome.

XIII. Disclosures

(1) <u>Information on significant transactions</u>

- A. Financing provided: None.
- 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 schedule 1.
- D. Marketable securities acquired and disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital: None.
- 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 schedule 2.
- H. Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: Please refer to schedule 3.
- I. Trading in derivative instruments undertaken during the reporting period: Please refer to Note 6 (2).
- J. Intercompany relationships and significant intercompany transactions: Please refer to Schedule 4.

(2) <u>Information on investees</u>

Names, locations and related information of investees (excluding investments in China): Please refer to Schedule 5.

(3) Information on investments in China

- A. Basic information: Please refer to Schedule 6.
- B. Information on investments in China Investee significant transactions for invested businesses in China, either directly or indirectly through a third area: None.

(4) Information of major shareholders

Name and information of shareholders with more than 5% shareholding interest: Please refer to Schedule 7.

XIV. 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) <u>Measurement of segment information</u>

The Group uses the revenue and pre-tax profit or loss 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

Segment information provided to the chief operating decision-maker for the reportable segments is as follows:

				For the year	end	ed Deceml	ber 3	1, 2024		
		AAEON		AOH	J	ETWAY				
-		Group		Group		Group	<u>E</u>	limination	_	Total
Revenue from external customers	\$	4,718,098	\$	1,233,414	\$	1,234,519	\$	-	\$	7,186,031
Revenue from internal segments		75,364		7,837	_	17,054	(100,225)		-
Segment revenue	\$	4,793,462	\$	1,241,251	\$	1,251,573	(\$	100,225)	\$	7,186,031
Segment profit or loss	\$	962,863	\$	206,407	\$	180,717	\$	-	\$	1,349,987
Segment profit or loss includes: Depreciation and										
amortization	\$	108,641	\$	20,704	\$	118,531	\$	-	\$	247,876
Segment assets	\$	11,524,712	\$	2,106,193	\$	2,307,317	(\$	1,611,980)	\$	14,326,242
				For the year			ber 3	1, 2023		
		AAEON		AOH		ETWAY				T-4-1
Davanua from	_	AAEON Group						1, 2023		Total
Revenue from external customers	\$		\$	AOH		ETWAY			\$	Total 8,073,203
	\$	Group	\$	AOH Group	J	ETWAY Group	<u>E</u> \$		\$	
external customers Revenue from	\$ \$	Group 5,642,304	\$ \$	AOH Group 1,490,884	J	ETWAY Group 940,015	<u>E</u> \$	limination_	\$ 	
external customers Revenue from internal segments		Group 5,642,304 97,896	_	AOH Group 1,490,884 1,976	\$	ETWAY Group 940,015 4,697	**************************************	limination - 104,569)	_	8,073,203
external customers Revenue from internal segments Segment revenue Segment profit or	\$	Group 5,642,304 97,896 5,740,200	\$	AOH Group 1,490,884 1,976 1,492,860	\$ \$	ETWAY Group 940,015 4,697 944,712	<u>E</u> \$ (<u>\$</u>	limination - 104,569)	\$	8,073,203 - 8,073,203
external customers Revenue from internal segments Segment revenue Segment profit or loss Segment profit or loss includes:	\$	Group 5,642,304 97,896 5,740,200	\$	AOH Group 1,490,884 1,976 1,492,860	\$ \$	ETWAY Group 940,015 4,697 944,712	<u>E</u> \$ (<u>\$</u>	limination - 104,569)	\$	8,073,203 - 8,073,203

Note: Interdepartmental revenue has been eliminated to \$0.

(4) Reconciliation for segment income

Adjustment is not required as the Group's reportable segment profit and loss are equivalent to the income (loss) from continuing operations.

(5) Geographical information

Geographical information for the years ended December 31, 2024 and 2023 is as follows:

			2024		2023						
	Income		Non	-current assets		Income		-current assets			
Taiwan	\$	2,867,694	\$	1,913,824	\$	3,168,012	\$	1,980,079			
China		576,771		445,753		517,829		427,519			
Singapore		134,128		1,404		172,793		73			
USA		1,660,483		177,457		2,092,814		176,292			
Europe		1,946,955		36,807		2,121,755		33,130			
Total	\$	7,186,031	\$	2,575,245	\$	8,073,203	\$	2,617,093			

The above non-current assets exclude financing instruments, deferred income tax assets and certain other non-current assets.

(6) Major customer information

The Group's customers exceeding 5% of consolidated operating income in 2024 and 2023 is as follows:

	2024	2023
A	\$ 355,362	\$ 149,868

AAEON Technology Inc. and Subsidiaries

MARKETABLE SECURITIES HELD

(EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)

DECEMBER 31, 2024

Schedule 1

(Amounts in thousands of New Taiwan dollars, Unless Specified Otherwise)

	Marketa	able securities type and name					2024/	9/30		
Holding company	Туре	Name (Note 1)	Relationship with the Company	Financial Statement Account	Shares	Vä	rrying alue ote2)	Percentage of Ownership (%)	Fair value	Remarks
AAEON Technology Inc.	Fund	Mega Diamond Money Market	None	Financial assets at fair value through profit or loss - current	2,091,070	\$	27,352	-	\$ 27,252	None
n	Stock	MACHVISION, INC.	Other related party - the Company's Chairman as a director	п	1,180,198		467,358	2.03	467,358	"
"	"	Allied Biotech Co.	None	"	300,000		5,055	0.31	5,055	"
"	"	LILEE SYSTEMS Ltd.	"	Financial assets at fair value through profit or loss - non-current	468,750		-	-	-	"
"	"	TELEION WIRELESS, INC.	"	"	149,700		_	-	_	"
"	"	InSynerger Technology Co., Ltd.	"	"	1,761,300		19,360	15.05	19,360	"
"	"	V-Net AAEON Corporation Ltd.	"	"	29		8,118	14.50	8,118	Note 3
AAEON INVESTMENT, CO., LTD.	Convertible Bond	IBASE TECHNOLOGY INC.	Associate - Investee accounted for under the equity method	Financial assets at fair value through profit or loss - current	-		118,000	-	118,000	None
ONYX HEALTHCARE INC	Stock	TOP UNION ELECTRONICS CORP.	"	Financial assets at fair value through profit or loss - current	223,918		7,255	0.15	7,255	"
"	"	INNO FUND III	"	Financial assets at fair value through profit or loss - non-current	3,000,000		43,076	13.04	43,076	"
"	"	MELTEN CONNECTED HEALTHCARE INC.	n .	Financial asset at fair value through other comprehensive income - non-current	4,193,548		-	6.61	-	"
"	"	TOP UNION ELECTRONICS CORP.	"	"	2,773,082		89,848	1.91	89,848	"
"	"	CREATIVE LIFE SCIENCE CO., LTD.	"	"	900,000		61,200	4.09	61,200	"
JETWAY INFORMATION CO., LTD.	Stock	Dunpin No.1 Innovative Investment Co., Ltd.		Financial assets at fair value through profit or loss - non-current	2,000,000		21,065	5.31	21,065	"
CO., E1D.	"	Northeast Tech Star II Venture Capital Co., Ltd.	"	п	3,000,000		29,992	10.00	29,992	"

Note1: The "securities" above refer to stocks, bonds, beneficiary certificates and derivatives included in IFRS 9 "Financial Instruments"

Note2: For those measured at fair value, please enter the carrying value after the valuation adjustment of fair value and deduction of accumulated impairment in the carrying value column. As for those assets not measured at fair value, please enter the carrying value of initial acquisition cost or amortized cost after deducting accumulated impairment in the carrying value column.

Note3: Hybrid contract with embedded options.

Schedule 1 Page 1

AAEON Technology Inc and Subsidiaries

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2024

Schedule 2

(Amounts in thousands of New Taiwan dollars, Unless Specified Otherwise)

Reasons for difference between the related party transaction terms and the arms length terms of

Transaction transaction (Note) Accounts and notes receivable (payable) Percentage to total accounts and notes Percentage to Nature of Purchase total purchase Payment Payment receivable or payable (%) Company Name Related Party Relationship (sales) Amount (sales) (%) terms Unit Price terms **Ending Balance** Note AAEON ASUSTEK COMPUTER month-end \$ TECHNOLOGY 32.03 19.89) Parent Purchases \$ 766,883 - (\$ 58,151) (30 days INC. INC. AAEON TECHNOLOGY 60 days after Subsidiary 1,343,664) 34.29 261,251 48.15 (Sales) (EUROPE) B.V. invoice date AAEON ELECTRONICS, 722,067) 18.43) 56,485 10.41 INC. AAEON TECHNOLOGY month-end 4.49 30,742 5.67 175,869) (SUZHOU) INC. 60 days ONYX ONYX HEALTHCARE month-end HEALTHCARE 179,488) 16.29) 59,188 27.37 USA, INC. 90 days INC. ONYX HEALTHCARE 42,953 19.87 143,672) 13.04) EUROPE B.V. **JETWAY** JETWAY COMPUTER month-end INFORMATION 25.88 270,748) 21.63) 26,108 CORP. 30-60 days CO., LTD. FUJIAN CANDID **JETWAY** month-end INTERNATIONAL INFORMATION CO., 232,300) 18.56) 26,042)(29.82) 30-90 days CO., LTD LTD. **JETWAY** JETWAY COMPUTER month-end INFORMATION 106,065) 30-60 days B.V. CO., LTD.

Note: The reasons for difference between the related party transaction terms and the arms length terms of transaction shall be described in the price and loan term section.

Schedule 2 Page 1

AAEON Technology Inc. and Subsidiaries

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2024

Schedule 3

(Amounts in thousands of New Taiwan dollars, Unless Specified Otherwise)

		Nature of	E	nding balance	_		Ove	rdue		Amounts	Received in		
Company Name	Related Party	Relationship		(Note)	Turnover (%)	Amount		Action taken		Subseq	uent Period	Loss allowance	
AAEON TECHNOLOGY INC.	AAEON TECHNOLOGY (EUROPE) B.V.	Subsidiary	\$	261,251	5.47 \$		-		-	\$	192,639	\$	_

Note: Please fill in separately based on accounts receivable, notes and other receivables of related parties.

AAEON Technology Inc. and Subsidiaries INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS (ONLY TRANSACTIONS AMOUNTING TO AT LEAST \$100 MILLION ARE DISCLOSED)

FOR THE YEAR ENDED DECEMBER 31, 2024

Schedule 4

(Amounts in thousands of New Taiwan dollars, Unless Specified Otherwise)

Intercompany transaction

					micronin	any transaction	
Serial No. (Note 1)	Company Name	Related Party	Nature of relationships (Note 2)	Financial Statement Account	 Amount	Terms	As a percentage of consolidated revenues or total assets (%) (Note 3)
0	AAEON TECHNOLOGY INC.	AAEON TECHNOLOGY (EUROPE) B. V.	1	Net sales	\$ 1,343,664	60 days after invoice date	18.70%
	"	AAEON ELECTRONICS, INC.	1	Net sales	722,067	"	10.05%
"	"	AAEON TECHNOLOGY (SUZHOU) INC.	1	Net sales	175,869	month-end 60 days	2.45%
"	11	AAEON TECHNOLOGY (EUROPE) B. V.	1	Account receivable	261,251	60 days after invoice date	1.83%
1	ONYX HEALTHCARE INC.	ONYX HEALTHCARE USA, INC.	1	Net sales	179,488	month-end 90 days	2.50%
"	"	ONYX HEALTHCARE (EUROPE) B. V	3	Net sales	143,672	"	2.00%
2	FUJIAN CANDID INTERNATIONAL CO., LTD	JETWAY INFORMATION CO., LTD.	3	Net sales	232,300	month-end 30-90 days	3.23%
3	JETWAY INFORMATION CO., LTD.	JETWAY COMPUTER CORP.	3	Net sales	270,748	month-end 30-60 days	3.77%
3	JETWAY INFORMATION CO., LTD.	JETWAY COMPUTER B.V.	3	Net sales	106,065	"	1.48%

- Note 1: Intercompany transactions should be indicated in the numbered columns individually. The number is filled in as follows:
 - (1) Parent company is numbered 0.
 - (2) Subsidiaries are numbered sequentially according to company name from Arabic numeral 1.
- Note 2: There are three types of relationships with counterparties (Disclosure is not required for the same intercompany transactions. For example: If the parent has already disclosed the intercompany transaction, the subsidiary is not required to disclose the same transaction.
 - For intercompany transactions between subsidiaries, if one of the subsidiaries has already disclosed the transaction, the other subsidiary is not required to disclose the same transaction)
 - (1) Parent company to subsidiary
 - (2) Subsidiary to parent company
 - (3) Subsidiary to subsidiary
- Note 3: The calculation of transaction amount as a percentage of consolidated net revenue or total assets: in the case of financial statement accounts, ending balance is divided by consolidated total assets; in the case of income statement accounts, cumulative amount in the period is divided by consolidated net revenue.
- Note 4: There is no need to disclose transactions of no more than \$100 million, and transactions shall be disclosed as assets and income.

Schedule 4 Page 1

AAEON Technology Inc. and Subsidiaries NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)

FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2024

Schedule 5

(Amounts in thousands of New Taiwan dollars, Unless Specified Otherwise)

Name of investor	Name of investee	Location	Main businesses and products	Original In 2024/12/31	vestment 2023/12/31	Balance :	as of Decemb Percentag e (%)	er 31,2024 Carrying Amount	or lo	stee profit oss for the d (Note 2)	los inv recog the	ofits or sses on estment gnized for e period Note 2)	Remarks
AAEON TECHNOLOGY	AAEON ELECTRONICS, INC.	USA	Sales of IPC and PC peripherals	\$ 160,647	\$ 150,455	490,000	100.00	\$ 351,164	(\$	6,512)	(\$	6,507)	
INC.	,		II										
"	AAEON TECHNOLOGY, CO., LTD	British Virgin Islands	Investment of IPC and interface card	288,741	270,422	8,807,097	100.00	145,394	(47,489)	(48,027)	
"	AAEON TECHNOLOGY (EUROPE) B.V.	Netherlands	Sales of IPC and PC peripherals	3,414	3,398	-	100.00	85,328	(13,570)	(13,570)	
"	AAEON TECHNOLOGY SINGAPORE PTE. LTD.	Singapore	Sales of IPC and PC peripherals	14,076	13,586	465,840	100.00	67,729	(470)	(469)	
n	AAEON INVESTMENT, CO., LTD.	Taiwan	Investment of IPC and PC peripherals	150,000	150,000	15,000,000	100.00	139,553	(1,941)	(1,941)	
n	ONYX HEALTHCARE INC.	"	Design, manufacture and sales of medical PC	172,368	172,368	18,694,156	48.40	736,445		180,914		87,685	
"	LITEMAX ELECTRONICS INC.	"	Sales of PC peripherals	70,218	70,218	5,015,050	11.86	119,748		191,145		23,555	
"	IBASE TECHNOLOGY INC.	"	Manufacturing and sales of industrial motherboards	3,498,501	3,498,501	52,921,856	26.70	3,251,957		588,282		51,689	
"	JETWAY INFORMATION CO., LTD.	"	Manufacturing and selling of industrial motherboard and computer peripherals	892,468	958,247	19,845,958	35.29	860,400		191,786		43,631	Note 1

Schedule 5 Page 1

AAEON Technology Inc. and Subsidiaries NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)

FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2024

Schedule 5

(Amounts in thousands of New Taiwan dollars, Unless Specified Otherwise)

Profits or

				O'.'.II.		Deleger	as of December		or	vestee profit loss for the	losses on investment recognized for the period	Danie In
			Main businesses and	Original In	vestment	Balance a			per	riod (Note 2)	(Note 2)	Remarks
Name of investor	Name of investee	Location	products	2024/12/31	2023/12/31	Shares	Percentage (%)	Carrying Amount				
AAEON	AAEON	Germany	Sales of IPC and PC	\$ 1,024	\$ 1,019		100.00	\$ 24,642	\$	1,618		Note1
TECHNOLOGY (EUROPE) B.V.	TECHNOLOGY GMBH	Germany	peripherals	Φ 1,024	\$ 1,017		100.00	\$ 24,042	J	1,010		Note1
ONYX	ONYX	USA	Sales of medical PC	65,570	61,410	200,000	100.00	90,634	(2,708)	_	"
HEALTHCARE INC.	HEALTHCARE USA, INC.		and peripherals							,		
п	ONYX HEALTHCARE EUROPE B.V.	Netherlands	Marketing support and maintenance of medical PC and peripherals	3,414	3,398	100,000	100.00	35,937		26,579	-	"
"	IHELPER INC.	Taiwan	R&D and sales of medical robots	16,560	16,560	1,656,000	46.00	6,955	(65)	-	"
п	WINMATE INC.	"	Bid quotations, distributions and sales of LCD application equipment and modules	568,585	568,585	10,244,000	12.85	649,524		559,453	-	"
"	ProtectLife International Biomedical INC.	"	Manufacturing and Wholesale of Medical Devices and Consumables	47,928	44,380	2,324,000	11.08	33,535	(43,972)	-	"
JETWAY INFORMATION CO., LTD.	JETWAY COMPUTER CORP.	USA	Selling and repairing of computer peripheral equipment	124,583	116,679	380	100.00	203,720		26,088	-	"
n	JETWAY COMPUTER B.V.	Netherlands	Selling and repairing of computer peripheral equipment	729	676	40	100.00	27,729		5,125	-	"

Schedule 5 Page 2

AAEON Technology Inc and Subsidiaries

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)

FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2024

Schedule 5

(Amounts in thousands of New Taiwan dollars, Unless Specified Otherwise)

			Main businesses and	Original In	vestment	Balance a	s of Decembe		Investee profit or loss for the period (Note	Profits or losses on investment recognized for	
Name of investor	Name of investee	Lagation	products	2024/12/31	2023/12/31	Shares	Percentag e (%)	Carrying	1 '	the period	Remarks
JETWAY	JETWAY	Location British		\$ 101,130	\$ 94,714	3,084,634	100.00	Amount	<u>2)</u> \$ 1.819	(Note 2)	Note1
INFORMATION CO., LTD.	(FAR EAST) INFORMATION COMPANY LIMITED	Virgin Islands	Investing of computer peripheral business	\$ 101,130	\$ 94,/14	3,084,034	100.00	\$ 125,483	\$ 1,819	-	Note1
n	TOP NOVEL ENTERPRISE CORP.	Seychelles	Investing of computer peripheral business	580,311	543,494	17,700,500	100.00	476,388	34,107	-	"
JETWAY (FAR EAST) INFORMATION COMPANY LIMITED	SCORETIME INVESTMENT LIMITED	British Virgin Islands	Investing of computer peripheral business	99,490	93,178	3,034,634	100.00	124,494	1,806	-	"
TOP NOVEL ENTERPRISE CORP.	CANDID INTERNATIONAL CORP.	"	Investing of computer peripheral business	558,984	523,520	17,050,000	100.00	472,479	33,810	-	"

Note 1: According to relevant regulations, there is no need to fill in investment profit and loss disclosed in this period.

Note 2: The profit or loss of the amount involving foreign currencies are converted to NTD at the average exchange rate between January 1 and December 31, 2024, while others are converted to NTD under the exchange rate at end period of the financial report.

AAEON Technology Inc. and Subsidiaries INFORMATION ON INVESTMENT IN MAINLAND CHINA FOR THE YEAR ENDED DECEMBER 31, 2024

Schedule 6

(Amounts in thousands of New Taiwan dollars, Unless Specified Otherwise)

						Accumulated		The			Accumulated
						Outflow of		Company's			Inward
				Beginning Balance of	Investment	Investment from		direct or		Carrying	Remittance of
			Methods of	Accumulated Outflow	Flows	Taiwan as of	Investee profit	indirect	Share of	Amount as of	Earnings as of
		Total Amount of	investment	of Investment from		December 31,	or loss for the	holding	Profits /	December 31,	December 31,
Investee Company	Main Businesses	Paid-in Capital	(Note 1)	Taiwan	Outflow Inflow	2024	period	percentage	Losses	2024	2024 Remarks
AAEON	Production and sales of	\$ 284,911	2	\$ 284,911	\$ - \$ -	\$ 284,911	(\$ 47,613)	100%	(\$ 47,613)	\$ 149,278	\$ - Note.2(2)B
TECHNOLOGY	IPC and interface card										
(SUZHOU) INC.											
ONYX HEALTHCARE	Sales of medical PC	72,127	1	72,127		72,127	(2,340)	100%	(2,340)	1,146	 Note.2(2)B
(SHANGHAI) LTD	and peripherals										
FUJIAN CANDID	Manufacturing and	557,345	2	557,345		557,345	33,680	100%	33,680	470,772	Note.2(2)B
INTERNATIONAL CO.,	selling of computer and										
LTD	peripheral equipment										

Common North	Ending Bal Accumu Investment in	lated Mainland	Amo Author Inves Comm	tment ounts rized by tment hission,	Inv Auth Inv Com	r Limit on estment orized by estment nmission,
Company Name	China		MOEA		MOEA	
AAEON Technology Inc.	\$	284,911	\$	284,911	\$	7,265,080
Onyx Technology Inc.		72,127		72,127		931,655
JETWAY INFORMATION CO., LTD.		557,345		557,345		800,119

Note 1: The methods of investment are listed below, please mark the category on schedule:

- (1) Investment in China companies directly.
- (2) Investment in China companies through AAEON TECHNOLOGY CO., LTD in a third region.
- (3) Other methods of investing in China.
- Note 2: The column of investment profit or loss for the period:
 - (1) It should be noted if the entity was in preparation stage without profit or loss on investment.
 - (2) It should be noted that the basis of recognizing the profit or loss on investment includes the following:
 - A. Based on financial statements reviewed by an international accounting firm that is in collaboration with an accounting firm in the Republic of China.
 - B. Based on financial statements reviewed by auditor of the parent company in Taiwan.
 - C. Another basis

Note 3: The profit or loss of the amount involving foreign currencies are converted to NTD at the average exchange rate between January 1 and December 31, 2024, while others are converted to NTD under the exchange rate at the end period of the financial report.

AAEON Technology Inc. and Subsidiaries

INFORMATION OF MAJOR SHAREHOLDERS

DECEMBER 31, 2024

Schedule 7

	Shares						
Name of major shareholder	Total Shares Owned	Ownership (%)					
ASUSTEK COMPUTER INC.	45,933,118	27.107					
IBASE TECHNOLOGY INC.	43,773,212	25.832					
Yung-Shun Chuang	20,642,399	12.182					
HUA-CHENG VENTURE CAPITAL CORP.	8,774,909	5.178					
HUA-MIN INVESTMENT CO., LTD.	8,774,909	5.178					

Note 1: In this chart, major shareholders are defined as shareholders with more than 5% collective holding interest in common and preferred shares that have been delivered via book entry (including treasury stocks), as shown in the records of TDCC on the final business day of each quarter. Share capital, as shown in the financial statements, may differ from the number of shares that have been delivered via book entry due to differences in the preparation basis.

Note 2: For shareholders who have placed shareholding under trust, the above information shall be provided based on trust accounts created by the trustee. In which case, these shareholders may be required under the Securities and Exchange Act to make regulatory reporting on insiders with more than 10% ownership interest, which include shares held in own name and shares placed under trust that the shareholder has control over. Refer to Market Observation Post System for information on the reporting of insider shareholding