

AAEON Technology Inc and Subsidiaries
Consolidated Financial Statements
With Independent Auditor's Review Report Thereon
March 31, 2023 and 2022
(Stock Code: 6579)

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

AAEON Technology Inc. and Subsidiaries
Consolidated Financial Statements
With Independent Auditor's Review Report Thereon March 31, 2023 and 2022

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To AAEON Technology Inc:

Introduction

We have reviewed the accompanying consolidated balance sheets of AAEON Technology Inc. and its subsidiaries (“the Group”) as of March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of significant accounting policies. It is the responsibility of the management to prepare and ensure fair presentation of consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, international financial reporting standards approved by the Financial Supervisory Commission, and IAS 34 - "Interim Financial Reporting". Our responsibility as auditor is to form a conclusion based on our reviews.

Scope of Review

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

Basis for qualified conclusion

As mentioned in Note 4. (3) and 6.(6) of the consolidated financial statements, some non-significant subsidiaries were consolidated using non-auditor reviewed financial statements for the corresponding period, which the sum of assets represented by such subsidiaries totaled \$632,446 thousand and \$635,414 thousand as of March 31, 2023 and 2022, and accounted for 5.38% and 5.86% of consolidated total assets, respectively; they also represented \$132,586 thousand and \$111,350 thousand of total liabilities, which accounted for 6.64% and 5.23% of consolidated total liabilities, respectively. Comprehensive losses reported by the above subsidiaries amounted to \$5,183 thousand and \$4,641 thousand for the three-month periods ended March 31, 2023 and 2022, which accounted for 1.36% and 2.75% of total comprehensive income for the respective periods. As for investments accounted for using the equity method, the balance as of March 31, 2023, was \$34,069 thousand, which accounted for 0.29% of the total consolidated assets. The share of profit or loss from associated companies accounted for using the equity method and the share of other comprehensive income amounted to (\$786) thousand for the three-month periods ended March 31, 2023, accounting for (0.21%) of the total consolidated comprehensive income.

Qualified conclusion

Based on our reviews and the reports of other independent auditors (please refer to other matter), none of the material disclosures of the consolidated financial statements mentioned above exhibited any misstatement that did not conform with Regulations Governing the Preparation of Financial Reports by Securities Issuers or the version of IAS 34 - "Interim Financial Reporting" approved by the Financial Supervisory Commission, or compromised the fair view of the consolidated financial position of the Group as of March 31, 2023 and 2022, and consolidated business performance and consolidated cash flow for the three-month periods ended March 31, 2023 and 2022, except for the matters discussed in the "Basis for qualified conclusion" paragraph and potential adjustments to the consolidated financial statements if financial statements of non-significant subsidiaries were to be auditor-reviewed.

Other matter – Reference to the reviews of other independent auditors

We did not review the financial statements of certain investments accounted for under equity method. Those financial statements were reviewed by other independent auditors whose reports thereon have been furnished to us and our conclusion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and information disclosed relative to these investments, is based solely on the reports of other independent auditors. These investments accounted for under equity method amounted to \$4,244,227 thousand and \$3,848,648 thousand as of March 31, 2023 and 2022, which accounted for 36.08% and 35.50% of consolidated total assets on the respective dates; comprehensive income recognized from the above companies amounted to \$100,552 thousand and \$53,291 thousand for the three-month periods ended March 31, 2023 and 2022, which accounted for 26.44% and 31.60% of consolidated comprehensive income for the respective periods.

PwC Taiwan

Certified Public Accountant

Chang, Shu-Chiung

Lin, Chun-Yao

(Formerly known as) Financial Supervisory Commission, The Ministry of Finance
Approval reference: Jin-Guan-Zheng-Shen No. 0990042602


(Formerly known as) Securities and Futures Commission, The Ministry of Finance
Approval reference: (1996)Tai-Tsai-Cheng (VI) No. 68702

May 10, 2023

Notes to Readers


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


AAEON Technology Inc. and Subsidiaries
Consolidated Balance Sheets
March 31, 2023, December 31, 2022 and March 31, 2022
 (The consolidated balance sheets as of March 31, 2023 and 2022, were reviewed, not audited)
 (Expressed in thousands of New Taiwan Dollars)

Assets	Notes	March 31, 2023		December 31, 2022		March 31, 2022		
		Amount	%	Amount	%	Amount	%	
Current asset								
1100	Cash and cash equivalents	6. (1)	\$ 2,848,985	24	\$ 2,234,203	20	\$ 2,178,748	20
1110	Financial asset at fair value through profit or loss - current	6. (2)	385,816	3	307,675	3	339,666	3
1150	Net notes receivable	6. (4)	20,927	-	17,615	-	9,059	-
1170	Net accounts receivable	6. (4)	906,849	8	1,135,029	10	1,138,306	11
1200	Other receivables	7	18,622	-	26,067	-	160,110	1
1220	Current tax assets		1,877	-	15,510	-	13,546	-
130X	Inventories	6. (5)	1,872,137	16	2,088,345	18	1,916,268	18
1410	Prepayments		99,107	1	92,483	1	99,947	1
1479	Other current assets - other	8	2,252	-	2,034	-	1,269	-
11XX	Total current assets		<u>6,156,572</u>	<u>52</u>	<u>5,918,961</u>	<u>52</u>	<u>5,856,919</u>	<u>54</u>
Non-current assets								
1510	Financial asset at fair value through profit or loss - non-current	6. (2)	58,270	1	55,503	1	60,783	1
1517	Financial asset at fair value through other comprehensive income - non-current	6. (3)	2,381	-	27,536	-	30,806	-
1550	Investments accounted for under equity method	6. (6)	4,278,296	36	4,143,549	36	3,848,648	36
1600	Property, plant and equipment	6. (7), 8	825,370	7	805,741	7	797,486	7
1755	Right-of-use assets	6. (8)	112,247	1	121,490	1	83,841	1
1760	Investment property	6. (9)	221,369	2	222,929	2	80,209	1
1780	Intangible assets		11,147	-	13,313	-	15,825	-
1840	Deferred tax assets		79,415	1	74,247	1	50,949	-
1900	Other non-current assets	8	18,934	-	19,717	-	15,168	-
15XX	Total non-current assets		<u>5,607,429</u>	<u>48</u>	<u>5,484,025</u>	<u>48</u>	<u>4,983,715</u>	<u>46</u>
1XXX	Total assets		<u>\$ 11,764,001</u>	<u>100</u>	<u>\$ 11,402,986</u>	<u>100</u>	<u>\$ 10,840,634</u>	<u>100</u>

(Continued)


AAEON Technology Inc. and Subsidiaries
Consolidated Balance Sheets
March 31, 2023, December 31, 2022, and March 31, 2022
 (The consolidated balance sheets as of March 31, 2023 and 2022, were reviewed, not audited)
 (Expressed in thousands of New Taiwan Dollars)

	Liabilities and equity	Notes	March 31, 2023		December 31, 2022		March 31, 2022	
			Amount	%	Amount	%	Amount	%
	Current liability							
2100	Short-term borrowings	6. (10)	\$ -	-	\$ -	-	\$ 105,000	1
2130	Contract liability - current	6. (18)	269,769	2	255,211	2	280,070	3
2150	Notes payables		-	-	19	-	-	-
2170	Accounts payables		364,602	3	365,065	3	607,119	6
2180	Accounts payables-related parties	7	57,774	1	70,908	1	186,833	1
2200	Other payables	6. (12), 7	523,266	5	593,533	5	391,062	4
2230	Current tax liabilities		281,324	3	253,864	2	115,389	1
2250	Provisions - current		35,815	-	34,423	-	30,029	-
2280	Lease liability - current		37,998	-	38,406	1	33,441	-
2320	Long-term liabilities-current Portion	6. (11), 8	10,331	-	10,376	-	10,591	-
2399	Other current liabilities - other		38,683	-	37,940	1	38,220	1
21XX	Total current liabilities		<u>1,619,562</u>	<u>14</u>	<u>1,659,745</u>	<u>15</u>	<u>1,797,754</u>	<u>17</u>
	Non-current liabilities							
2527	Contract Liability - non-current	6. (18)	74,378	1	73,425	1	71,230	1
2540	Long-term borrowings	6. (11), 8	142,370	1	144,910	1	152,522	1
2550	Provisions - non-current		11,156	-	11,317	-	9,998	-
2570	Deferred tax liabilities		65,581	-	57,861	-	42,694	-
2580	Lease liabilities - non-current		76,616	1	84,768	1	51,303	1
2670	Other non-current liabilities - other		7,949	-	8,062	-	2,218	-
25XX	Total non-current liabilities		<u>378,050</u>	<u>3</u>	<u>380,343</u>	<u>3</u>	<u>329,965</u>	<u>3</u>
2XXX	Total Liabilities		<u>1,997,612</u>	<u>17</u>	<u>2,040,088</u>	<u>18</u>	<u>2,127,719</u>	<u>20</u>
	Equity							
	Equity attributable to owners of parent							
	Share capital	6. (15)						
3110	Share capital-common stock		1,492,255	13	1,490,825	13	1,486,185	14
3140	Advance receipts for share capital		3,410	-	1,430	-	370	-
	Capital surplus	6. (14) (16)						
3200	Capital surplus		5,480,675	46	5,461,370	48	5,463,538	50
	Retained earnings	6. (17)						
3310	Legal reserve		470,533	4	470,533	4	425,624	4
3320	Special reserve		64,805	1	64,805	1	53,278	-
3350	Undistributed retained earnings		1,472,291	13	1,165,819	10	663,686	6
	Other Equity							
3400	Other Equity		31,232	-	(12,359)	-	(47,864)	-
31XX	Total equity attributable to owners of parent		<u>9,015,201</u>	<u>77</u>	<u>8,642,423</u>	<u>76</u>	<u>8,044,817</u>	<u>74</u>
36XX	Non-controlling interests	4. (3)	<u>751,188</u>	<u>6</u>	<u>720,475</u>	<u>6</u>	<u>668,098</u>	<u>6</u>
3XXX	Total equity		<u>9,766,389</u>	<u>83</u>	<u>9,362,898</u>	<u>82</u>	<u>8,712,915</u>	<u>80</u>
	Significant contingent liabilities and unrecognized contract commitments	9						
	Significant events after the balance sheet date							
3X2X	Total liabilities and equity		<u>\$ 11,764,001</u>	<u>100</u>	<u>\$ 11,402,986</u>	<u>100</u>	<u>\$ 10,840,634</u>	<u>100</u>

Please also refer to the notes as it is part of the consolidated financial statements.

Chairman: Yung-Shun Chuang

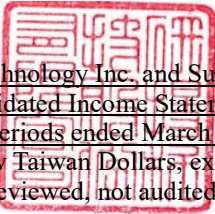


Manager: Chien-Hung Lin



Accounting Supervisor: Jen-Chung Wang




AAEON Technology Inc. and Subsidiaries
Consolidated Income Statement
For the three-month periods ended March 31, 2023 and 2022
 (Expressed in thousands of New Taiwan Dollars, except earnings per share data)
 (Reviewed, not audited)

Item	Notes	For the three-month periods ended March 31,			
		2023		2022	
		Amount	%	Amount	%
4000 Operating income	6. (18), 7	\$ 1,928,838	100	\$ 1,951,691	100
5000 Operating cost	6. (5)(22)				
	(23), 7.	(1,306,294)	(68)	(1,398,504)	(72)
5900 Operating profit		622,544	32	553,187	28
Operating expenses	6. (22)				
	(23), 7.				
6100 Selling Expenses		(147,698)	(8)	(135,705)	(7)
6200 General and administrative expenses		(92,516)	(5)	(78,103)	(4)
6300 Research and development expenses		(146,527)	(7)	(132,993)	(7)
6450 Expected credit impairment losses (gains)	12. (2)	904	-	(5,879)	-
6000 Total operating expense		(385,837)	(20)	(352,680)	(18)
6900 Operating income		236,707	12	200,507	10
Non-operating income and expenses					
7100 Interest income		1,180	-	766	-
7010 Other income	6. (19)	5,178	-	7,490	-
7020 Other gains and losses	6. (20)	92,161	5	(59,337)	(3)
7050 Financial costs	6. (21)	(1,341)	-	(1,079)	-
7060 Share of the profit of associates and joint ventures accounted for under equity method	6. (6)	56,550	3	52,548	3
7000 Total non-operating income and expenses		153,728	8	388	-
7900 Profit (loss) before income tax		390,435	20	200,895	10
7950 Income tax expenses	6. (24)	(52,898)	(3)	(50,971)	(2)
8200 Profit (loss) for the period		\$ 337,537	17	\$ 149,924	8

(Continued)

AAEON Technology Inc. and Subsidiaries
Consolidated Income Statement

For the three-month periods ended March 31, 2023 and 2022
(Expressed in thousands of New Taiwan Dollars, except earnings per share data)
(Reviewed, not audited)

Item	Notes	For the three-month periods ended March 31,				
		2023		2022		
		Amount	%	Amount	%	
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8316	Unrealized gains(losses) on financial assets at FVOCI	6. (3)	\$ -	-	(\$ 1,575)	-
8320	Share of other comprehensive income of associates and joint ventures accounted for under equity method - not to be reclassified to profit or loss in subsequent periods	6. (6)	42,950	2	(2,036)	-
8310	Total amount not to be reclassified to profit or loss in subsequent periods		<u>42,950</u>	<u>2</u>	<u>(3,611)</u>	<u>-</u>
Components of other comprehensive income that will be reclassified to profit or loss						
8361	Financial statements translation differences of foreign operations		(500)	-	24,427	1
8370	Share of other comprehensive income of associates and joint ventures accounted for under equity method - to be reclassified to profit or loss	6. (6)	266	-	2,779	-
8399	Income tax relating to the components of other comprehensive income	6. (24)	100	-	(4,884)	-
8360	Total amount to be reclassified to profit or loss in subsequent periods		<u>(134)</u>	<u>-</u>	<u>22,322</u>	<u>1</u>
8300	Net Other comprehensive income		<u>\$ 42,816</u>	<u>2</u>	<u>\$ 18,711</u>	<u>1</u>
8500	Total comprehensive income		<u>\$ 380,353</u>	<u>19</u>	<u>\$ 168,635</u>	<u>9</u>
Profit attributable to:						
8610	Owners of parent		\$ 308,877	16	\$ 129,340	7
8620	Non-controlling interests		28,660	1	20,584	1
			<u>\$ 337,537</u>	<u>17</u>	<u>\$ 149,924</u>	<u>8</u>
Total comprehensive income (loss) attributable to:						
8710	Owners of parent		\$ 350,100	18	\$ 146,281	8
8720	Non-controlling interests		30,253	1	22,354	1
			<u>\$ 380,353</u>	<u>19</u>	<u>\$ 168,635</u>	<u>9</u>
Basic earnings (loss) per share						
9750	Total basic earnings (loss) per share	6. (25)		2.87		1.21
Diluted earnings (loss) per share						
9850	Total diluted earnings (loss) per share	6. (25)		2.83		1.20

Please also refer to the notes as it is part of the consolidated financial statements.

Chairman: Yung-Shun Chuang

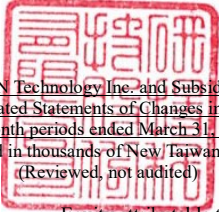


Manager: Chien-Hung Lin



Accounting Supervisor: Jen-Chung Wang




 AAEON Technology Inc. and Subsidiaries
 Consolidated Statements of Changes in Equity
 For the three-month periods ended March 31, 2023 and 2022
 (Expressed in thousands of New Taiwan Dollars)
 (Reviewed, not audited)

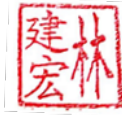
	Equity attributable to owners of the parent											
	Share Capital	Retained Earnings					Other Equity					
	Common share capital	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Undistributed retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total	Non-controlling interests	Total
Notes												
For the three months period ended March 31, 2022												
Balance at January 1, 2022	\$ 1,484,985	\$ 1,200	\$ 5,433,926	\$ 425,624	\$ 53,278	\$ 534,550	(\$ 65,407)	\$ 2,733	(\$ 2,131)	\$ 7,868,758	\$ 521,770	\$ 8,390,528
Profit for the period	-	-	-	-	-	129,340	-	-	-	129,340	20,584	149,924
Other comprehensive income	-	-	-	-	-	-	20,424	(3,483)	-	16,941	1,770	18,711
Total comprehensive income	-	-	-	-	-	129,340	20,424	(3,483)	-	146,281	22,354	168,635
Differences between share price and book value from acquisition or disposal of subsidiaries			19,802							19,802	(19,802)	-
Effect from long-term investment that has not been recognized based on shareholding percentage	6. (6) (16)	-	8	-	-	-	-	-	-	8	-	8
Change in associates and joint ventures accounted for under equity method	6. (6) (16)	-	1,076	-	-	-	-	-	-	1,076	-	1,076
Share-based Payment	6. (14) (16)	-	6,665	-	-	(204)	-	-	-	6,461	5,185	11,646
Employee stock options exercised	6. (14) (16)	1,200	(830)	2,061	-	-	-	-	-	2,431	-	2,431
Changes in non-controlling interests-subsidiary increase cash capital		-	-	-	-	-	-	-	-	-	138,591	138,591
Balance at March 31, 2022	\$ 1,486,185	\$ 370	\$ 5,463,538	\$ 425,624	\$ 53,278	\$ 663,686	(\$ 44,983)	(\$ 750)	(\$ 2,131)	\$ 8,044,817	\$ 668,098	\$ 8,712,915
For the three months period ended March 31, 2023												
Balance at January 1, 2023	\$ 1,490,825	\$ 1,430	\$ 5,461,370	\$ 470,533	\$ 64,805	\$ 1,165,819	(\$ 21,405)	\$ 11,177	(\$ 2,131)	\$ 8,642,423	\$ 720,475	\$ 9,362,898
Profit for the period	-	-	-	-	-	308,877	-	-	-	308,877	28,660	337,537
Other comprehensive income	-	-	-	-	-	-	27	41,196	-	41,223	1,593	42,816
Total comprehensive income	-	-	-	-	-	308,877	27	41,196	-	350,100	30,253	380,353
Effect from long-term investment that has not been recognized based on shareholding percentage	6. (6) (16)	-	84	-	-	-	-	-	-	84	-	84
Change in associates and joint ventures accounted for under equity method	6. (6) (16)	-	42	-	-	-	-	-	-	42	-	42
Share-based Payment	6. (14) (16)	-	1,072	-	-	(37)	-	-	-	1,035	460	1,495
Employee stock options exercised	6. (14) (16)	1,430	1,980	18,107	-	-	-	-	-	21,517	-	21,517
Disposal of financial assets at fair value through other comprehensive income		-	-	-	-	(2,368)	-	2,368	-	-	-	-
Balance at March 31, 2023	\$ 1,492,255	\$ 3,410	\$ 5,480,675	\$ 470,533	\$ 64,805	\$ 1,472,291	(\$ 21,378)	\$ 54,741	(\$ 2,131)	\$ 9,015,201	\$ 751,188	\$ 9,766,389

Please also refer to the notes as it is part of the consolidated financial statements.

Chairman: Yung-Shun Chuang

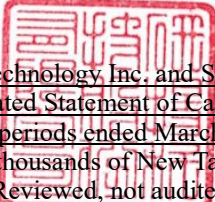


Manager: Chien-Hung Lin




Accounting Supervisor: Jen-Chung Wang




AAEON Technology Inc. and Subsidiaries
Consolidated Statement of Cash Flows
For the three-month periods ended March 31, 2023 and 2022
 (Expressed in thousands of New Taiwan Dollars)
 (Reviewed, not audited)

	Notes	For the three-month periods ended March 31	
		2023	2022
<u>Cash flows from operating activities</u>			
Profit before tax		\$ 390,435	\$ 200,895
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6. (7) (8) (22)	23,408	19,209
Amortization expenses	6. (22)	2,881	3,749
Expected credit impairment losses (gains)	12. (2)	(904)	5,879
Costs of share-based payment awards	6. (14)	1,495	11,646
Interest income		(1,180)	(766)
Dividends income	6 (19)	-	(3,367)
Interest expenses	6. (8) (10) (11) (21)	1,341	1,079
Net gains from financial assets and liabilities at fair value through profit or loss	6. (2) (20)	(89,428)	90,074
Losses on disposal of property, plant and equipment	6. (7) (20)	1,714	2,149
Transferred to expenses and losses		-	25
Depreciation expense of investment property (other gains and losses)	6 (9) (20)	1,797	1,602
Share of profit of associates accounted for under equity method	6. (6)	(56,550)	(52,548)
Gain on lease modification	6. (8) (20)	(24)	(36)
Changes in operating assets and liabilities			
Net changes in operating assets			
Notes and accounts receivable		225,661	45,106
Other receivables		7,445	26,020
Inventories		216,208	(398,233)
Prepayments		(6,624)	(10,532)
Net changes in operating liabilities			
Contract liability		15,511	77,728
Notes and accounts payable		(13,616)	213,041
Other payables		(66,447)	(39,991)
Other current liabilities		743	4,708
Provisions for liabilities		1,231	4,602
Other non-current liabilities		(113)	62
Net cash from operating activities		654,984	202,101
Interest received		1,180	766
Interest paid		(1,339)	(1,070)
Income taxes paid		(8,455)	(2,231)
Net cash flows from operating activities		646,370	199,566

(Continued)


AAEON Technology Inc. and Subsidiaries
Consolidated Statement of Cash Flows
For the three-month periods ended March 31, 2023 and 2022
 (Expressed in thousands of New Taiwan Dollars)
 (Reviewed, not audited)

	Notes	For the three-month periods ended March 31	
		2023	2022
<u>Cash flows from investing activities</u>			
Disposal of financial assets at fair value through profit or loss		\$ 8,520	\$ -
Decrease (increase) in other current assets		(218)	362
Acquisition of investments accounted for under equity method		(9,700)	-
Acquisition of property, plant and equipment	6. (26)	(38,064)	(6,808)
Acquisition of intangible asset		(603)	(1,640)
Decrease (increase) in other non-current assets		670	(534)
Dividends received		-	3,367
Net cash flows used in investing activities		(39,395)	(5,253)
<u>Cash flows from financing activities</u>			
Reimbursement in long-term borrowings	6. (27)	(2,585)	(2,674)
Repayment of lease principal	6. (27)	(11,037)	(8,292)
Changes in non-controlling interests - increase cash capital		-	138,591
Employee share options exercised	6. (14)	21,517	2,431
Net cash flows from financing activities		7,895	130,056
Effects due to changes in exchange rate		(88)	12,859
Increase in cash and cash equivalents		614,782	337,228
Cash and cash equivalents at the beginning of periods		2,234,203	1,841,520
Cash and cash equivalents at the end of periods		\$ 2,848,985	\$ 2,178,748

Please also refer to the notes as it is part of the consolidated financial statements.

Chairman: Yung-Shun Chuang

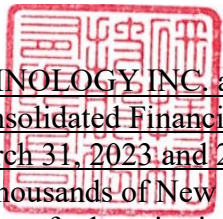


Manager: Chien-Hung Lin



Accounting Supervisor: Jen-Chung Wang




AAEON TECHNOLOGY INC. and Subsidiaries
Notes of Consolidated Financial Statements
March 31, 2023 and 2022
(Expressed in thousands of New Taiwan Dollars,
except as of otherwise indicated)
(Reviewed, not audited)

I. Company Profile

AAEON Technology Co., Ltd. (hereinafter referred to as the "the Company") was established in the Republic of China. The main businesses of the company and its subsidiaries (hereinafter collectively referred to as the "Group") include the manufacturing, processing and imports/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 40.43% 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 statements were reported to the Board of Directors and issued on May 10, 2023.

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 2023 are listed below:

<u>Newly issued revised or amended standards and interpretations</u>	<u>Effective date issued by IASB</u>
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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

(II) The impact of the IFRS issued and amended by IASB which are endorsed by FSC but not yet adopted by the Group

None.

(III) The impact of IFRS standards issued by IASB but have not yet endorsed by FSC

Standards or interpretations issued, revised or amended, by IASB but not yet endorsed by FSC are listed below.:

<u>Newly issued revised or amended standards and interpretations</u>	<u>Effective date issued by IASB</u>
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
Amendments to IFRS 16, "Lease liability in a sale and lease back"	January 1, 2024
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
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

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

IV. Summary of Significant Accounting Policies

The following is a description of significant accounting policies in regards to statement of compliance, basis of preparation, basis of consolidation and addition. Unless otherwise stated, all other accounting policies shall remain unchanged from Note 4. of the 2022 consolidated financial statements and apply consistently across all reporting periods.

(I) Statement of compliance

1. This consolidated financial report has been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 - "Interim Financial Reporting".
2. This consolidated financial report shall be read in conjunction with the 2022 consolidated financial report.

(II) Basis of preparation

1. The consolidated financial statements have been prepared on a historical cost basis except for the following reasons:
 - (1) Financial assets and liabilities (including derivatives) that have been measured at fair value through profit or loss.
 - (2) Financial assets that have been measured at fair value through other comprehensive income.
2. For the preparation of financial statements in conformity with the IFRS, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, it requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the consolidated financial statements are disclosed in Note 5.

(III) Basis of consolidation

1. Preparation principle of consolidated financial statement:

This consolidated financial report has been prepared on the same basis as the 2022 consolidated financial report.

2. The subsidiaries included in the consolidated financial statements:

Investor	Subsidiary name	Business	Ownership (%)			Notes
			2023/3/31	2022/12/31	2022/3/31	
AAEON	AAEON ELECTRONICS, INC. (AEI)	Sales of IPC and PC peripherals	100%	100%	100%	
AAEON	AAEON TECHNOLOGY CO., LTD. (ATCL)	Investment of IPC and interface card	100%	100%	100%	Note 1
AAEON	AAEON TECHNOLOGY (EUROPE) B.V.(ANI)	Sales of IPC and PC peripherals	100%	100%	100%	
AAEON	AAEON INVESTMENT, CO., LTD. (AAEONI)	Investment of IPC and PC peripherals	100%	100%	100%	Note 1
AAEON	ONYX HEALTHCARE INC. (ONYX)	Design, manufacture and sales of medical PC	48.88%	48.88%	50.00%	Note 2 and Note 3
AAEON	AAEON TECHNOLOGY SINGAPORE PTE. LTD (ASG)	Sales of IPC and PC peripherals	100%	100%	100%	Note 1
ATCL	AAEON TECHNOLOGY (SUZHOU) INC. (ACI)	Production and sales of IPC and interface card	100%	100%	100%	Note 1
ANI	AAEON TECHNOLOGY GMBH(AGI)	Sales of IPC and PC peripherals	100%	100%	100%	Note 1
ONYX	ONYX HEALTHCARE EUROPE B.V.(ONI)	Marketing support and maintenance of medical PC and peripherals	100%	100%	100%	Note 1

Investor	Subsidiary name	Business	Ownership (%)			Notes
			2023/3/31	2022/12/31	2022/3/31	
ONYX	ONYX HEALTHCARE USA, INC. (OHU)	Sales of medical PC and peripherals	100%	100%	100%	
ONYX	ONYX HEALTHCARE (SHANGHAI) LTD. (OCI)	Sales of medical PC and peripherals	100%	100%	100%	Note 1
ONYX	IHELPER INC. (IHELPER)	R&D and sales of medical robots	46.00%	46.00%	46.00%	Notes 1. and 3.

Note 1: Given that the entities did not meet the definitions of material subsidiary, their financial reports as of March 31, 2023 and 2022, were not reviewed by auditors.

Note 2: ONYX has increased cash capital in March, 2022, be invested in different shareholding by the Company.

Note 3: 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.

3. The subsidiaries excluded from the consolidated financial statements: None.

4. Different adjustments from subsidiaries during the reporting period: None.

5. Significant restrictions: None.

6. Subsidiaries with material non-controlling interests

The Group's total non-controlling interests as of March 31, 2023, December 31, 2022 and March 31, 2022 were \$751,188, \$720,475 and \$668,098, respectively. The Group's subsidiaries with significant non-controlling interests are as follows:

Subsidiary Name	Main business location	Non-controlling interests 2023/3/31		Non-controlling interests 2022/12/31	
		Amount	Ownership interest	Amount	Ownership interest
ONYX	Taiwan	\$ 742,188	51.12%	\$ 711,430	51.12%

Subsidiary Name	Main business location	Non-controlling interests 2022/3/31	
		Amount	Ownership interest
ONYX	Taiwan	\$ 659,612	50.00%

Summarized financial information of subsidiaries:

Balance sheet

	ONYX		
	2023/3/31	2022/12/31	2022/3/31
Current asset	\$ 936,848	\$ 939,028	\$ 1,019,404
Non-current assets	1,078,740	1,027,880	1,005,487
Current liability	(307,444)	(318,887)	(441,797)
Non-current liabilities	(247,148)	(247,132)	(255,259)
Total Net Assets	<u>\$ 1,460,996</u>	<u>\$ 1,400,889</u>	<u>\$ 1,327,835</u>

Statement of comprehensive income

	ONYX			
	For the three-month periods ended March 31,			
	2023		2022	
Income	\$	327,942	\$	419,208
Profit before tax	\$	60,174	\$	51,052
Income tax expense	(	4,082)	(	9,494)
Net income		56,092		41,558
Other comprehensive income (net amount after tax)		3,117		3,540
Total comprehensive income	<u>\$</u>	<u>59,209</u>	<u>\$</u>	<u>45,098</u>
Total comprehensive income attributable to non-controlling interests	\$	30,293	\$	22,739

Cash flow statement

	ONYX			
	For the three-month periods ended March 31,			
	2023		2022	
Net cash inflow from operating activities	\$	58,221	\$	43,678
Net cash flows used in investing activities	(	28,035)	(	5,602)
Net cash inflows (outflow) from financing activities	(	5,066)		232,595
Effects of exchange rate changes on cash and cash equivalents	(	419)		3,965
Increase in current cash and cash equivalents		24,701		274,636
Cash and cash equivalents at the beginning of periods		328,886		182,893
Cash and cash equivalents at the end of periods	<u>\$</u>	<u>353,587</u>	<u>\$</u>	<u>457,529</u>

(IV) Income tax

If tax rate changes within a financial period, the Group will recognize impact in the same period in one lump sum. For changes unrelated to income tax and profit or loss, impacts are recognized in other comprehensive income or under equity item. Changes concerning income tax or profit or loss items are recognized through profit or loss.

V. Significant Accounting Judgments, Estimations, and Major Sources of Assumption Uncertainty

No material changes had taken place in the current period; please refer to Note 5. of the 2022 consolidated financial report.

VI. Significant Accounting Items

(I) Cash and cash equivalents

	2023/3/31	2022/12/31	2022/3/31
Cash on hand and petty cash	\$ 1,130	\$ 1,003	\$ 1,608
Check deposit and demand deposit	2,488,932	1,828,790	2,106,514
Time deposit	358,923	404,410	70,626
Total	<u>\$ 2,848,985</u>	<u>\$ 2,234,203</u>	<u>\$ 2,178,748</u>

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.

(II) Net loss (gains) from financial assets and liabilities

Item	2023/3/31	2022/12/31	2022/3/31
Current:			
Financial assets mandatorily measured at fair value through profit or loss			
Listed and OTC stocks	\$ 91,428	\$ 98,777	\$ 159,125
Emerging stocks	3,000	3,000	3,000
Unlisted and non-OTC stocks	73,744	73,744	73,744
Beneficiary securities	25,000	25,000	25,000
Convertible bond	104,900	104,900	-
	<u>298,072</u>	<u>305,421</u>	<u>260,869</u>
Valuation adjustment	87,744	2,254	78,797
Subtotal	<u>\$ 385,816</u>	<u>\$ 307,675</u>	<u>\$ 339,666</u>

Item	2023/3/31	2022/12/31	2022/3/31
Non-current:			
Financial assets mandatorily measured at fair value through profit or loss			
Unlisted and non-OTC stocks	\$ 59,070	\$ 59,070	\$ 59,070
Hybrid instrument	10,832	10,832	10,832
	<u>69,902</u>	<u>69,902</u>	<u>69,902</u>
Valuation adjustment	(11,632)	(14,399)	9,119
Subtotal	<u>\$ 58,270</u>	<u>\$ 55,503</u>	<u>\$ 60,783</u>

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 March 31, 2023, December 31, 2022 and March 31, 2022.

2. Details of financial assets at fair value through profit or loss recognized as income:

	For the three-month periods ended March 31,	
	2023	2022
Financial assets mandatorily measured at fair value through profit or loss		
Equity instrument	\$ 80,361	(\$ 89,864)
Beneficiary securities	75	15
Convertible bond	9,200	-
Hybrid instrument	(208)	(225)
Total	\$ 89,428	(\$ 90,074)

3. 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

<u>Item</u>	<u>2023/3/31</u>	<u>2022/12/31</u>	<u>2022/3/31</u>
Non-current:			
Equity instrument			
Unlisted and non-OTC stocks	\$ 39,334	\$ 69,334	\$ 69,334
Valuation adjustment	(36,953)	(41,798)	(38,528)
Total	\$ 2,381	\$ 27,536	\$ 30,806

1. The Group has elected to classify 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. PROTECTLIFE INTERNATIONAL BIOMEDICAL INC has been reclassified to Investments accounted for under equity method in February 2023, book value amounted to \$25,155. The fair value of the investments amounted to \$2,381, \$27,536 and \$30,806 on March 31, 2023, December 31, 2022, and March 31,2022 separately.

2. Amounts recognized in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the three-month periods ended March 31,	
	2023	2022
Financial asset at fair value through other comprehensive income		
Recognized in other comprehensive income (loss)	\$ -	(\$ 1,575)
Transfer to retained earnings from derecognition of financial assets	(\$ 4,845)	\$ -

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

(IV) Notes and accounts receivables

	<u>2023/3/31</u>	<u>2022/12/31</u>	<u>2022/3/31</u>
Notes receivable	\$ 20,957	\$ 17,615	\$ 9,059
Accounts receivable	\$ 927,653	\$ 1,156,626	\$ 1,163,184
Less: Loss allowance	(20,804)	(21,597)	(24,878)
	<u>\$ 906,849</u>	<u>\$ 1,135,029</u>	<u>\$ 1,138,306</u>

1. The ageing analysis of notes and accounts receivable is as follows:

Notes receivable	<u>2023/3/31</u>	<u>2022/12/31</u>	<u>2022/3/31</u>
Not past due	\$ 20,927	\$ 17,615	\$ 9,059

Accounts receivable	<u>2023/3/31</u>	<u>2022/12/31</u>	<u>2022/3/31</u>
Not past due	\$ 740,704	\$ 886,337	\$ 990,182
Within 30 days	131,943	202,075	126,999
31-60 days	24,952	38,215	25,684
61-90 days	1,190	13,849	694
91-180 days	15,728	2,973	1,164
Over 181 days	13,136	13,177	18,461
	<u>\$ 927,653</u>	<u>\$ 1,156,626</u>	<u>\$ 1,163,184</u>

The aging analysis above is based on the number of days past due.

- The Group does not hold any collateral over the accounts and notes receivables.
- Balances of accounts and notes receivable as of March 31, 2023, December 31, 2022 and March 31, 2022 had arisen entirely from customers' contracts. Balance receivable on customers' contracts and allowance for losses as of January 1, 2022 were \$1,216,157 and \$18,403, respectively.
- Regardless of any collateral held or other credit enhancements, the maximum exposure to the credit risk of notes receivables as of March 31, 2023, December 31, 2022 and March 31, 2021 were \$20,927, \$17,615 and \$9,059, respectively, and the maximum exposure to the credit risk of accounts receivable as of March 31, 2023, December 31, 2022 and March 31, 2022 were \$906,849, \$1,135,029 and \$1,138,306, respectively.
- Please refer to Note 12 (2) for credit risk information of notes and accounts receivable.

(V) Inventories

	<u>2023/3/31</u>		
	<u>Cost</u>	<u>Valuation allowance</u>	<u>Carrying amount</u>
Raw material	\$ 979,414	(\$ 80,427)	\$ 898,987
Work in progress	527,294	(21,442)	505,852
Finished good	473,916	(31,627)	442,289
Merchandise Inventories	26,940	(1,931)	25,009
Total	<u>\$ 2,007,564</u>	<u>(\$ 135,427)</u>	<u>\$ 1,872,137</u>

2022/12/31			
	Cost	Valuation allowance	Carrying amount
Raw material	\$ 1,104,134	(\$ 92,359)	\$ 1,011,775
Work in progress	705,935	(23,097)	682,838
Finished good	397,401	(29,049)	368,352
Merchandise Inventories	27,351	(1,971)	25,380
Total	\$ 2,234,821	(\$ 146,476)	\$ 2,088,345

2022/3/31			
	Cost	Valuation allowance	Carrying amount
Raw material	\$ 1,206,677	(\$ 64,242)	\$ 1,142,435
Work in progress	521,324	(19,519)	501,805
Finished good	272,910	(34,023)	238,887
Merchandise Inventories	34,475	(2,086)	32,389
Inventories in transit	752	-	752
Total	\$ 2,036,138	(\$ 119,870)	\$ 1,916,268

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

	For the three-month periods ended March 31,	
	2023	2022
Cost of inventories sold	\$ 1,316,695	\$ 1,387,418
Inventories obsolescence and devaluation loss	(11,082)	10,963
Losses on disposal of inventories	63	142
Others	618	(19)
	\$ 1,306,294	\$ 1,398,504

(VI) Investments accounted for under equity method

	2023	2022
At January 1	\$ 4,143,549	\$ 3,922,180
Increase in investments accounted for under equity method	34,855	-
Share of investment income accounted for under equity method	56,550	52,548
Distribution of investment income accounted for under equity method	-	(127,907)
Changes in capital surplus and retained earnings	126	1,084
Changes in other equity	43,216	743
At March 31	\$ 4,278,296	\$ 3,848,648

Investee	2023/3/31		2022/12/31	
	Ownership (%)	Book value	Ownership (%)	Book value
LITEMAX ELECTRONICS INC.	11.97	\$ 121,581	11.97	\$ 116,696
IBASE TECHNOLOGY INC.	28.61	3,498,086	28.61	3,420,216
WINMATE INC.	13.43	624,560	13.99	606,637
PROTECTLIFE INTERNATIONAL BIOMEDICAL INC.	11.54	34,069	-	-
		<u>\$ 4,278,296</u>		<u>\$ 4,143,549</u>

Investee	2022/3/31	
	Ownership (%)	Book value
LITEMAX ELECTRONICS INC.	11.99	\$ 97,353
IBASE TECHNOLOGY INC.	31.68	3,176,186
WINMATE INC.INC.	13.83	575,109
		<u>\$ 3,848,648</u>

1. On June 11, 2018, the Company signed a share exchange agreement with IBASE TECHNOLOGY INC. and increased its capital by issuing 41,698 thousand new shares for the exchange for the exchange of 52,922 thousand common shares from IBASE TECHNOLOGY INC. The record date of the share exchange was September 29, 2018. The share exchange entitles AAEON a 30% equity interest and significant influence in IBASE; for this reason, Ibase has been accounted using the equity method since then. According to the share exchange agreement, the two parties agree to notify the other party of the transaction terms and conditions in writing, providing the preferential right of subscription for the following changes in shareholdings:

- (1) Either party wishes to reduce shares of the other party which are acquired based on the share exchange agreement.
- (2) Either party wishes to increase its shareholding in the other party within three years after the contract is signed.

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

Balance sheet

	IBASE TECHNOLOGY INC.		
	2023/3/31	2022/12/31	2022/3/31
Current asset	\$ 5,682,283	\$ 5,616,501	\$ 5,121,189
Non-current assets	6,927,001	6,795,424	5,098,174
Current liability	(1,720,537)	(2,078,957)	(3,221,596)
Non-current liabilities	(3,101,025)	(2,924,708)	(1,548,195)
Net assets fair value of trade marks, other intangible and tangible assets adjustment	1,802,604	1,887,254	2,264,740
Adjusted net assets	<u>\$ 9,590,326</u>	<u>\$ 9,295,514</u>	<u>\$ 7,714,312</u>
Share of net assets of the affiliate	\$ 2,519,668	\$ 2,441,798	\$ 2,197,768
Goodwill	978,418	978,418	978,418
Book value of affiliates	<u>\$ 3,498,086</u>	<u>\$ 3,420,216</u>	<u>\$ 3,176,186</u>

Statement of comprehensive income

	<u>IBASE TECHNOLOGY INC.</u>	
	<u>For the three-month periods ended March 31,</u>	
	<u>2023</u>	<u>2022</u>
Income	\$ 1,617,116	\$ 1,483,935
Net income of continuing operations	233,714	\$ 171,313
Other comprehensive income (net amount after tax)	140,178	2,195
Total comprehensive income	373,892	173,508
Fair value adjustment	37,906	(38,134)
Adjusted total comprehensive income	\$ 411,798	\$ 135,374

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

	<u>For the three-month periods ended March 31,</u>	
	<u>2023</u>	<u>2022</u>
Net income of continuing operations	\$ 18,438	\$ 17,933
Other comprehensive income (net amount after tax)	3,499	1,887
Total comprehensive income	\$ 21,937	\$ 19,820

4. Fair values of the Group's affiliates with quoted prices are as follows:

	<u>2023/3/31</u>	<u>2022/12/31</u>	<u>2022/3/31</u>
LITEMAX ELECTRONICS INC.	\$ 267,804	\$ 189,067	\$ 198,345
IBASE TECHNOLOGY INC.	4,561,864	4,090,859	2,497,912
WINMATE INC.	1,055,132	850,252	792,235
	\$ 5,884,800	\$ 5,130,178	\$ 3,488,492

5. 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.
6. 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.
7. 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%. Additionally, the chairman of the subsidiary, who holds a significant influence, serves as a director of PROTECTLIFE INTERNATIONAL BIOMEDICAL INC. Therefore, starting from February 9th, 2023, the equity method is applied for the evaluation of the investment.

8. The Group holds 28.61% of the voting power of IBASE TECHNOLOGY INC., as the single largest shareholder. Considering the participation of other shareholders in the previous shareholders' meeting and the voting rights of major proposals, 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.

The Group holds 11.97% of the voting power of LITEMAX ELECTRONICS INC., as the single largest shareholder. Considering that the remaining 88.03% 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.

(VII) Property, Plant and Equipment

2023

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment under installation	Total
January 1						
Cost	\$ 490,453	\$ 319,367	\$ 98,346	\$ 197,458	\$ 8,370	\$ 1,113,994
Accumulated depreciation and impairment	-	(111,140)	(47,422)	(149,691)	-	(308,253)
	<u>\$ 490,453</u>	<u>\$ 208,227</u>	<u>\$ 50,924</u>	<u>\$ 47,767</u>	<u>\$ 8,370</u>	<u>\$ 805,741</u>
January 1	\$ 490,453	\$ 208,227	\$ 50,924	\$ 47,767	\$ 8,370	\$ 805,741
Additions	-	397	244	14,715	18,886	34,242
Disposal	-	-	(83)	(1,631)	-	(1,714)
Reclassification	-	2,639	-	2,752	(5,391)	-
Depreciation expense	-	(2,178)	(2,896)	(6,604)	-	(11,678)
Net exchange differences	(655)	(638)	5	67	-	(1,221)
March 31	<u>\$ 489,798</u>	<u>\$ 208,447</u>	<u>\$ 48,194</u>	<u>\$ 57,066</u>	<u>\$ 21,865</u>	<u>\$ 825,370</u>
March 31						
Cost	\$ 489,798	\$ 323,467	\$ 96,985	\$ 208,529	\$ 21,865	\$ 1,140,644
Accumulated depreciation and impairment	-	(115,020)	(48,791)	(151,463)	-	(315,274)
	<u>\$ 489,798</u>	<u>\$ 208,447</u>	<u>\$ 48,194</u>	<u>\$ 57,066</u>	<u>\$ 21,865</u>	<u>\$ 825,370</u>

2022

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment under installation	Total
January 1						
Cost	\$ 511,982	\$ 310,595	\$ 69,224	\$ 200,338	\$ 1,307	\$ 1,093,446
Accumulated depreciation and impairment	-	(101,534)	(45,528)	(146,063)	-	(293,125)
	<u>\$ 511,982</u>	<u>\$ 209,061</u>	<u>\$ 23,696</u>	<u>\$ 54,275</u>	<u>\$ 1,307</u>	<u>\$ 800,321</u>
January 1	\$ 511,982	\$ 209,061	\$ 23,696	\$ 54,275	\$ 1,307	\$ 800,321
Additions	-	-	150	3,150	1,435	4,735
Disposal	-	-	-	(2,149)	-	(2,149)
Reclassification	-	(271)	-	649	(674)	(296)
Depreciation expense	-	(2,098)	(1,842)	(7,039)	-	(10,979)
Net exchange differences	2,377	3,191	42	244	-	5,854
March 31	<u>\$ 514,359</u>	<u>\$ 209,883</u>	<u>\$ 22,046</u>	<u>\$ 49,130</u>	<u>\$ 2,068</u>	<u>\$ 797,486</u>
March 31						
Cost	\$ 514,359	\$ 313,153	\$ 66,813	\$ 191,446	\$ 2,068	\$ 1,087,839
Accumulated depreciation and impairment	-	(103,270)	(44,767)	(142,316)	-	(290,353)
	<u>\$ 514,359</u>	<u>\$ 209,883</u>	<u>\$ 22,046</u>	<u>\$ 49,130</u>	<u>\$ 2,068</u>	<u>\$ 797,486</u>

1. The above property, plant and equipment are assets for self-use requirement.
2. Please refer to Note 8 for the property, plant and equipment as collaterals for loans.

(VIII) Lease transactions - lessee

1. The underlying assets in the Group's lease include houses, transportation equipment and other equipment. The contract term period typically ranges from 1 to 5 years. The lease contract is negotiated individually and contains various terms and conditions, with no other restrictions imposed.
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:

	2023/3/31	2022/12/31	2022/3/31
	Carrying amount	Carrying amount	Carrying amount
Building	\$ 101,577	\$ 113,403	\$ 74,662
Transportation equipment	9,105	6,415	7,185
Other equipment	1,565	1,672	1,994
	<u>\$ 112,247</u>	<u>\$ 121,490</u>	<u>\$ 83,841</u>

	For the three-month periods ended March 31,	
	2023	2022
	Depreciation expense	Depreciation expense
Building	\$ 10,217	\$ 6,623
Transportation equipment	1,406	1,500
Other equipment	107	107
	<u>\$ 11,730</u>	<u>\$ 8,230</u>

4. For the three months ended March 31, 2023 and 2022, the additions to right-of use assets were \$4,160 and \$12,020, respectively.

5. The profit and loss related to the lease contract are as follows:

	For the three-month periods ended March 31,	
	2023	2022
Items affecting profit or loss		
Interest expenses on lease liabilities	\$ 682	\$ 370
Expenses on short-term lease contracts	4,684	5,759
Expenses on leases of low-value assets	60	11
Lease modification profit	24	36

6. For the three-month periods ended March 31, 2023 and 2022, the Group's total cash outflow for leases were \$16,463 and \$14,432, respectively.

(IX) Investment property

	2023		
	Land	Buildings	Total
January 1			
Cost	\$ 128,073	\$ 192,206	\$ 320,279
Accumulated depreciation and impairment	-	(97,350)	(97,350)
	<u>\$ 128,073</u>	<u>\$ 94,856</u>	<u>\$ 222,929</u>
January 1	\$ 128,073	\$ 94,856	\$ 222,929
Depreciation expense	-	(1,797)	(1,797)
Net exchange differents	-	237	237
March 31	<u>\$ 128,073</u>	<u>\$ 93,296</u>	<u>\$ 221,369</u>
March 31	-		
Cost	\$ 128,073	\$ 192,838	\$ 320,911
Accumulated depreciation and impairment	-	(99,542)	(99,542)
	<u>\$ 128,073</u>	<u>\$ 93,296</u>	<u>\$ 221,369</u>

	2022		
	Land	Buildings	Total
January 1			
Cost	\$ -	\$ 169,788	\$ 169,788
Accumulated depreciation and impairment	-	(90,030)	(90,030)
	<u>\$ -</u>	<u>\$ 79,758</u>	<u>\$ 79,758</u>
January 1			
Reclassification (Note)	-	271	271
Depreciation expense	-	(1,602)	(1,602)
Net exchange differences	-	1,782	1,782
March 31	<u>\$ -</u>	<u>\$ 80,209</u>	<u>\$ 80,209</u>
March 31			
Cost	\$ -	\$ 174,139	\$ 174,139
Accumulated depreciation and impairment	-	(93,930)	(93,930)
	<u>\$ -</u>	<u>\$ 80,209</u>	<u>\$ 80,209</u>

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

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

For the three-month periods ended March 31,

	2023		2022	
	\$		\$	
Rent income	\$ 3,835		\$ 3,013	
Related direct operating cost & expense	\$ 1,797		\$ 1,602	

2. The fair value of investment property for the year ended March 31, 2023, and 2022 was \$449,041 and \$326,611 which base on the evaluation results of nearby transaction prices.

(X) Short-term borrowings

Nature of the borrowing	2022/3/31	Interest rate range	Collateral
Bank borrowings			
Credit borrowings	\$ 105,000	1.08%~1.10%	None

1. The Group had no short-term borrowings as of March 31, 2023, and December 31, 2022.

2. For the three months ended March 31, 2022, interest expense recognized through profit or loss was \$324.

(XII) Long-term borrowings

Type of borrowing	Period and Repayment method	Interest rate range	Collateral	2023/3/31
Borrowings from banks				
Guaranteed borrowings	2021.5.28-2036.5.28 Monthly amortization of principal and interest	1.85%	Land, Buildings	\$ 152,701
Less: Current portions of long-term loans				(10,331)
				<u>\$ 142,370</u>

Type of borrowing	Period and Repayment method	Interest rate range	Collateral	2022/12/31
Borrowings from banks				
Guaranteed borrowings	2021.5.28-2036.5.28 Monthly amortization of principal and interest	1.73%	Land, Buildings	\$ 155,286
Less: Current portions of long-term loans				(10,376)
				<u>\$ 144,910</u>

Type of borrowing	Period and Repayment method	Interest rate range	Collateral	2022/3/31
Borrowings from banks				
Guaranteed borrowings	2021.5.28-2036.5.28 Monthly amortization of principal and interest	1.25%	Land, Buildings	\$ 163,113
Less: Current portions of long-term loans				(10,591)
				<u>\$ 152,522</u>

1. The interest recognized in profit or loss for the year ended of December 31, 2022 and the three months ended March 31, 2023 were \$659 and \$385, respectively.
2. Please refer to Note 8 for the details of long-term borrowings.

(XIII) Other payables

	2023/3/31	2022/12/31	2022/3/31
Accrued payroll, employee's compensation and bonuses	\$ 332,337	\$ 375,968	\$ 204,783
Accrued technical service fee (Note 7 (3) 6.)	44,211	37,859	43,676
Accrued commission fee	75,434	65,546	40,351
Others	71,284	114,160	102,252
	<u>\$ 523,266</u>	<u>\$ 593,533</u>	<u>\$ 391,062</u>

(XIV) Pension

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 and OCI 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 and OCI 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 and ONI shall allocate pensions in accordance with local laws and regulations.
5. Pension costs recognized by the Group in accordance with the above retirement policy for were \$11,324 and \$9,568 for the three months periods ended March 31, 2023 and 2022 respectively.

(XV) Share-based Payment

1. The Company

- (1) The Company had the following share-based payment agreement active for the three-months periods ended March 31, 2023 and 2022:

Arrangement type	Grant date	Quantity granted (thousand)	Contract period	Vesting conditions
Plan of employee stock options	2019.11.26	3,000	5 years	Service of 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 three-months periods ended March 31, 2023	
	No. of units (shares in thousands)	Weighted average exercise price (in dollars)
Options outstanding at beginning of period	1,877	\$ 63.1
Options exercised	(341)	63.1
Options outstanding at the end of period	1,536	63.1
Options exercisable at the end of period	895	

	For the three-months periods ended March 31, 2022	
	No. of units (shares in thousands)	Weighted average exercise price (in dollars)
Options outstanding at beginning of period	2,556	\$ 65.7
Options exercised	(37)	65.7
Options outstanding at the end of period	2,519	65.7
Options exercisable at the end of period	1,181	

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

			2023/3/31	
Arrangement type	Authorized issue date	Maturity date	Number of shares (in thousands)	Exercise price (in dollars)
Plan of employee stock options	2019.11.26	2024.11.25	1,536	\$ 63.1

			2022/12/31	
Arrangement type	Authorized issue date	Maturity date	Number of shares (in thousands)	Exercise price (in dollars)
Plan of employee stock options	2019.11.26	2024.11.25	1,877	\$ 63.1

			2022/3/31	
Arrangement type	Authorized issue date	Maturity date	Number of shares (in thousands)	Exercise price (in dollars)
Plan of employee stock options	2019.11.26	2024.11.25	2,519	\$ 65.7

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

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

(5) Expenses of share-based payment transaction:

	For the three-month periods ended March 31,	
	2023	2022
Equity settlement	\$ 597	\$ 1,275

2. Subsidiary- ONYX HEALTHCARE INC. (ONYX)

(1) ONYX had the following share-based payment agreement active for the three-month period ended March 31, 2023 and 2022.

Arrangement type	Grant date	Quantity granted (thousand)	Contract period	Vesting conditions
Plan of employee stock options	2020.08.06	1,000	5 years	Service of 2~4 years
Increase cash capital reserved for employees	2022.01.25	418	Not applicable	Immediately

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

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

	For the three-month periods ended March 31, 2023	
	No. of units (shares in thousands)	Weighted average exercise price (in dollars)
Options outstanding at beginning of period	872	\$ 114.7
Options exercised	40	-
Options outstanding at the end of period	912	\$ 114.7
Options exercisable at the end of period	456	

	For the three-month periods ended March 31, 2022	
	No. of units (shares in thousands)	Weighted average exercise price (in dollars)
Options outstanding at beginning of period	1,000	\$ 121.5
Options outstanding at end of period	1,000	\$ 119.7
Options exercisable at the end of period	-	

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

Arrangement type	Authorized issue date	Maturity date	2023/3/31	
			No. of units (shares in thousands)	Exercise price (in dollars)
Plan of employee stock options	2020.08.06	2025.08.06	912	\$ 114.7

Arrangement type	Authorized issue date	Maturity date	2022/12/31	
			No. of units (shares in thousands)	Exercise price (in dollars)
Plan of employee stock options	2020.08.06	2025.08.06	872	\$ 114.7

Arrangement type	Authorized issue date	Maturity date	2022/3/31	
			No. of units (shares in thousands)	Exercise price (in dollars)
Plan of employee stock options	2020.08.06	2025.08.06	1,000	\$ 119.7

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

Arrangement type	Grant date	Quantity granted (thousand)	Stock price	Exercise price	Expected price Volatility	Expected option life	Risk-free interest rate	Fair value per unit (in dollars)
Plan of employee stock options	2020.08.06	1,000	\$ 139.5	\$ 139.5	32.26%	3.88 years	0.29%	\$ 35.39
Increase cash capital reserved for employees	2022.01.25	418	\$ 107.5	\$ 88.0	18.32%	0.16 years	0.34%	\$19.5567

(5) Expenses of share-based payment transaction:

	For the three-months periods ended March 31, 2023	For the three-months periods ended March 31, 2022
Increase cash capital reserved for employees	\$ -	\$ 8,174
Equity settlement	898	2,197
	<u>\$ 898</u>	<u>\$ 10,371</u>

(XVI) Share capital

1. As of March 31, 2023, 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 \$1,495,665, divided into 149,566 thousand shares, each at par value of NT\$10 per share. Proceeds have been fully collected for the issued shares. Movements in the number of the Company's ordinary shares outstanding are as follows (unit: shares in thousands):

	2023	2022
January 1	149,225	148,618
Employee stock options exercised	341	37
March 31	<u>149,566</u>	<u>148,655</u>

2. On April 30, 2019, the Company passed the issuance of employee stock options (ESOs) by resolution of the board of directors, which was then 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 March 31, 2023, the Company's affiliate - IBASE owned 41,698 thousand of The Group's shares.

(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.

	2023						
	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
Employee stock options exercised	23,476	-	-	-	(5,369)	-	18,107
Effect from long-term investment that has not been recognized based on shareholding percentage	-	-	-	84	-	-	84
Change in associates and joint ventures accounted for under equity method	-	-	-	42	-	-	42
Share-based Payment	-	-	438	-	634	-	1,072
March 31	\$ 4,827,607	\$ 233,002	\$ 230,115	\$ 164,839	\$ 22,703	\$ 2,409	\$ 5,480,675

2022

	Share premium	Difference between 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	\$ 4,837,089	\$ 213,200	\$ 223,636	\$ 127,296	\$ 30,524	\$ 2,181	\$ 5,433,926
Differences between share price and book value from acquisition or disposal of subsidiaries	-	19,802	-	-	-	-	19,802
Employee stock options exercised	2,061	-	-	-	-	-	2,061
Effect from long-term investment that has not been recognized based on shareholding percentage	-	-	-	8	-	-	8
Change in associates and joint ventures accounted for under equity method	-	-	-	1,076	-	-	1,076
Share-based Payment	-	-	5,186	-	1,479	-	6,665
March 31	\$ 4,839,150	\$ 233,002	\$ 228,822	\$ 128,380	\$ 32,003	\$ 2,181	\$ 5,463,538

(XVIII) Retained earnings

1. Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first 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. In the future, the Company may have the surplus profit distributable as dividends in part or in whole considering the financial, business and operational factors. The ratio of share dividend shall exceed 5% of distributable earnings. Surplus distribution can be in the form of cash or stock dividends. For the measurement of future capital requirements and capital structure, cash dividend shall not be less than 10% of the total amount of dividends in the future, and the actual distribution amount shall be adopted by resolution of 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) The amounts previously set aside by the Company as special reserve on initial application of IFRSs shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

5. The Company's appropriations of 2022 earnings had been approved by the board of directors on February 24, 2023. The Company's appropriations of 2021 earnings had been approved by the voting result in the shareholders' meeting on May 27, 2022 respectively. Details are summarized below:

	2022		2021	
	Amount	Dividend per share (in NT dollars)	Amount	Dividend per share (in NT dollars)
Provision (reversal) of Special reserve	(\$ 52,445)		\$ 11,527	
Legal reserve	107,411		44,909	
Cash dividends	746,127	\$ 5.00	386,408	\$ 2.60
	<u>\$ 801,093</u>		<u>\$ 442,844</u>	

Cash dividends distributed to common shareholders from the capital surplus would be \$74,309 (\$0.5 per share) which approved by the voting result regarding the earnings appropriation and cash appropriation from the capital surplus for 2021 reached the legal resolution threshold on May 27, 2022.

The result of appropriations of 2021 which was the same as the proposal submitted by the Board of Directors.

The result of appropriations of 2022 which has not yet been approved by the resolutions of the shareholders' meeting.

(XIX) Operating income

	For the three-month periods ended March 31,	
	2023	2022
Revenue from Contracts with Customers	\$ 1,928,838	\$ 1,951,691

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 three-month periods ended March 31, 2023	For the three-month periods ended March 31,		
	IPC	Medical PC	Total
Revenue from Contracts with Customers	\$ 1,601,400	\$ 327,438	\$ 1,928,838
Time of income recognition			
Income recognized at a point in time	1,600,898	322,191	1,923,089
Revenue recognized over time	502	5,247	5,749
Total	<u>\$ 1,601,400</u>	<u>\$ 327,438</u>	<u>\$ 1,928,838</u>

For the three-month periods ended March 31,2022	IPC	Medical PC	Total
Revenue from Contracts with Customers	\$ 1,538,735	\$ 412,956	\$ 1,951,691
Time of income recognition			
Income recognized at a point in time	1,537,845	402,216	1,940,061
Revenue recognized over time	890	10,740	11,630
Total	\$ 1,538,735	\$ 412,956	\$ 1,951,691

2. Contract liability

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

	2023/3/31	2022/12/31	2022/3/31	2022/1/1
Contract Liability - Current:				
Advances from customers	\$ 259,165	\$ 244,311	\$ 267,188	\$ 212,285
Warranty contract	10,604	10,900	12,882	13,946
Contract Liability - Non-current:				
Advances from customers	58,077	54,939	51,070	26,024
Warranty contract	16,301	18,486	20,160	21,317
Total	\$ 344,147	\$ 328,636	\$ 351,300	\$ 273,572

(2) Recognized income of contract liabilities at January 1

	For the three-month periods ended March 31,	
	2023	2022
Beginning balance of contract liabilities		
Recognized income		
Advances from customers	\$ 89,606	\$ 41,526
Warranty contract	2,869	3,940
Total	\$ 92,475	\$ 45,466

(XX) Other income

	For the three-month periods ended March 31,	
	2023	2022
Rental income	\$ 5,178	\$ 4,123
Dividends income	-	3,367
Total	\$ 5,178	\$ 7,490

(XXI) Other gains and losses

	For the three-month periods ended March 31,	
	2023	2022
Net income from financial assets and liabilities at fair value through profit or loss	\$ 89,428	(\$ 90,074)
Gain (loss) on foreign currency exchange	(14,280)	28,860
Losses on disposal of property, plant and equipment	(1,714)	(2,149)
Depreciation on investment property, buildings.	(1,797)	(1,602)
Gain (loss) on lease modification	24	36
Government subsidy	201	51
Other income	20,299	5,541
	<u>\$ 92,161</u>	<u>(\$ 59,337)</u>

(XXII) Financial costs

	For the three-month periods ended March 31,	
	2023	2022
Interest expenses	\$ 659	\$ 709
Leased liabilities interest expenses	682	370
	<u>\$ 1,341</u>	<u>\$ 1,079</u>

(XXIII) Extra information regarding the nature of cost and expenses

	For the three-month periods ended March 31,					
	2023			2022		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Expenses from employee benefits	\$ 78,946	\$ 266,269	\$ 345,215	\$ 69,753	\$ 238,119	\$ 307,872
Depreciation expense	10,155	13,253	23,408	9,388	9,821	19,209
Amortization expenses	25	2,856	2,881	501	3,248	3,749

(XXIV) Expenses from employee benefits

	For the three-month periods ended March 31,	
	2023	2022
Salaries expenses	\$ 305,353	\$ 271,089
Labor and national health insurance expenses	23,834	23,694
Pension expenses	11,324	9,568
Other employment expenses	4,704	3,521
	<u>\$ 345,215</u>	<u>\$ 307,872</u>

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. For the three months periods ended March 31, 2023 and 2022, based on the percentage stipulated in the Articles of Incorporation, employee compensation were estimated at \$25,549 and \$7,405, respectively, while the remuneration of directors were estimated at \$1,623 and \$808, respectively, which are recognized as salary expenses.

Amounts for the period January 1 to March 31, 2023, were estimated based on profitability at the time and the percentages stipulated in Articles of Incorporation.

Amounts of 2022 employee and director remuneration resolved by the board of directors were consistent with the amounts recognized in the 2022 financial report, which were \$118,958 and \$8,712, respectively. Employee remuneration is intended to be paid in cash, but no actual payment has been made.

Information on remuneration of employees and directors approved by the board of directors is disclosed on the MOPS.

(XXV) Income tax

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

	For the three-month periods ended March 31,	
	2023	2022
Current income tax:		
Income tax from current income	\$ 50,254	\$ 45,077
Adjustments in respect of prior period	-	866
Total current income tax	<u>50,254</u>	<u>45,943</u>
Deferred tax		
Origination and reversal of temporary differences	2,644	5,028
Income tax expense	<u>\$ 52,898</u>	<u>\$ 50,971</u>

(2) Income tax relative to other comprehensive income:

	For the three-month periods ended March 31,	
	2023	2022
Differences in translation of foreign operations	(\$ 100)	\$ 4,884

2. Profit-seeking enterprise business income tax returns of the Company and domestic subsidiaries have been certified by the tax authority as follows:

	Certification
(1) The Company, AAEONI, ONYX, IHELPER INC.	2020

(XXVI) Earnings per share

	For the three-month periods ended March 31, 2023		
	After-tax amount	Weighted average Outstanding shares (in thousand)	Losses per share (in dollars)
<u>Basic (diluted) losses per share</u>			
Current net income attributable to common shareholders of parent company	\$ 308,877	107,675	\$ 2.87
<u>Diluted earnings per share</u>			
Dilutive effect of potential common shares			
Employee stock options		415	
Employee compensation		1,084	
Current net income attributable to common shareholders of parent company plus effect of potential common shares	\$ 308,877	109,174	\$ 2.83
	For the three-month periods ended March 31, 2022		
	After-tax amount	Weighted average Outstanding shares (in thousand)	Losses per share (in dollars)
<u>Basic (diluted) losses per share</u>			
Current net income attributable to common shareholders of parent company	\$ 129,340	106,946	\$ 1.21
<u>Diluted earnings per share</u>			
Dilutive effect of potential common shares			
Employee stock options		97	
Employee compensation		551	
Current net income attributable to common shareholders of parent company plus effect of potential common shares	\$ 129,340	107,594	\$ 1.20

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.

(XXVII) Supplemental cash flow information

1. Partial cash payments for investing activities:

	For the three-month periods ended March 31,	
	2023	2022
Acquisition of property, plant and equipment	\$ 34,242	\$ 4,735
Add: Opening balance of payable on equipment	4,322	2,760
Less: Ending balance of payable on equipment	(500)	(687)
Cash paid during the period	<u>\$ 38,064</u>	<u>\$ 6,808</u>

2. Non-cash flow from financing activities:

	For the three-month periods ended March 31,	
	2023	2022
Declared cash dividends not yet paid from Investments accounted for under equity method	\$ -	\$ 127,907

(XXVIII) Changes in liabilities arising from financing activities

	2023			
	Short-term borrowings	Long-term borrowings (including current portion)	Lease liability	Total
January 1	\$ -	\$ 155,286	\$ 123,174	\$ 278,460
Changes in cash flow from financing	-	(2,585)	(11,037)	(13,622)
Effect on changes in exchange rate	-	-	395	395
Changes in others without cash flow	-	-	2,082	2,082
Cash paid during the period	<u>\$ -</u>	<u>\$ 152,701</u>	<u>\$ 114,614</u>	<u>\$ 267,315</u>

	2022			
	Short-term borrowings	Long-term borrowings (including current portion)	Lease liability	Total
January 1	\$ 105,000	\$ 165,787	\$ 82,942	\$ 353,729
Changes in cash flow from financing	-	(2,674)	(8,292)	(10,966)
Effect on changes in exchange rate	-	-	438	438
Changes in others without cash flow	-	-	9,656	9,656
Cash paid during the period	<u>\$ 105,000</u>	<u>\$ 163,113</u>	<u>\$ 84,744</u>	<u>\$ 352,857</u>

VII. Related party transaction

(I) Parent and ultimate controlling party

AAEON is controlled by ASUSTEK COMPUTER INC. (incorporated in R.O.C.), the ultimate parent of the Company with 40.43% 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 by the Company's subsidiary
PROTECTLIFE INTERNATIONAL BIOMEDICAL INC.	Associate - Investee accounted for under the equity method by the Company's subsidiary (Note)
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
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	Other related party - Investee accounted for under the equity

Name of related party	Relation
INTERNATIONAL INC.	method by the Company's Fellow subsidiary
MORRIHAN	Other related party - Investee accounted for under the equity
INTERNATIONAL CORP.	method by the Company's Fellow subsidiary
NUVISION TECHNOLOGY, INC.	Other related party - Investee accounted for under the equity
MAXTEK TECHNOLOGY CO., LTD.	method by the Company's Fellow subsidiary
SPARK TECHNOLOGIES INC.	Other related party - Investee accounted for under the equity
LYDS THCH.	method by the Company's Fellow subsidiary
JUI HAI INVESTMENT Co., Ltd.	Other related party - the Company's Chairman is first degree relative of SPARK TECHNOLOGIES INC.'s Chairman
ASUS COMPUTER INTERNATIONAL	Other related party - the Company's Chairman is first degree relative of LYDS TECH's Chairman
	Other related party - the Company's Chairman is first degree relative of JUI HAI INVESTMENT Co., Ltd.'s Chairman
	Fellow subsidiary — same as ultimate parent entity

Note: PROTECTLIFE INTERNATIONAL BIOMEDICAL INC. is the affiliate company of the Group form February 2023.

(III) Significant transactions with related parties

1. Operating income

	<u>For the three-month periods ended March 31,</u>	
	2023	2022
Ultimate parent entity	\$ 3,590	\$ 277
Affiliate company	2,724	284
Other related party	1,502	2,028
Total	<u>\$ 7,816</u>	<u>\$ 2,589</u>

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 Group has granted credit periods of 60 days EOM or 30 days EOD to its related parties, with no significant difference compared to general customers.

2. Purchases

	<u>For the three-month periods ended March 31,</u>	
	2023	2022
Goods purchased		
Ultimate parent entity	\$ 211,803	\$ 360,607
Affiliate company	10,517	6,125
Fellow subsidiary	-	113
Other related party	44,098	48,494
Total	<u>\$ 266,418</u>	<u>\$ 415,339</u>

The Group's purchases are in accordance with its general terms and conditions (market prices), with payment period of 30 days EOM or 60-90 days EOM.

3. Operating expenses

	<u>For the three-month periods ended March 31,</u>	
	<u>2023</u>	<u>2022</u>
Ultimate parent entity	\$ 21,637	\$ 23,966
Affiliate company	99	343
Other related party	2,042	1,269
	<u>\$ 23,778</u>	<u>\$ 25,578</u>

(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 Company to other related parties. The donation amount for the three-month periods ended March 31, 2023 and 2022 were \$2,000 and \$1,000, respectively, aimed at promoting technology education and humanistic development, fulfilling corporate social responsibility, and enhancing the corporate image in public welfare.

4. Other accounts receivable

	<u>2023/3/31</u>	<u>2022/12/31</u>	<u>2022/3/31</u>
Other accounts receivable			
Affiliate company			
- LITEMAX	\$ 436	\$ -	\$ 12,951
- IBASE	-	389	115,370
Other related party	197	-	60
	<u>\$ 633</u>	<u>\$ 389</u>	<u>\$ 128,381</u>

As the three-month periods ended March 31, 2022, mainly comprised dividends receivable.

5. Payables from related parties

	<u>2023/3/31</u>	<u>2022/12/31</u>	<u>2022/3/31</u>
Accounts Payable			
Ultimate parent entity	\$ 33,979	\$ 53,140	\$ 159,138
Affiliate company	5,818	286	3,599
Other related party	17,977	17,482	24,096
Total	<u>\$ 57,774</u>	<u>\$ 70,908</u>	<u>\$ 186,833</u>

6. Other payables

	<u>2023/3/31</u>	<u>2022/12/31</u>	<u>2022/3/31</u>
Other Payables			
Ultimate parent entity	\$ 44,211	\$ 37,859	\$ 43,676
Affiliate company	80	4	11
Other related party	473	1,325	695
Total	<u>\$ 44,764</u>	<u>\$ 39,188</u>	<u>\$ 44,382</u>

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

(IV) Key management remuneration

	For the three-month periods ended March 31,	
	2023	2022
Wages and other short-term employee benefits	\$ 31,246	\$ 23,838
Post-employment benefits	338	370
Share-based payment	1,105	5,602
Total	\$ 32,689	\$ 29,810

VIII. Assets pledged as collaterals

The Company's pledged assets are summarized below:

Asset	Book value			Guarantee purpose
	2023/3/31	2022/12/31	2022/3/31	
Property, Plant and Equipment	\$ 480,501	\$ 482,633	\$ 476,360	Loans and the line of credit
Restricted time deposit (including other current assets)	914	921	859	Collateral provided for foreign exchange forward contract
Guarantee deposits (including Other current and non-current assets)	11,962	12,337	11,104	Office, warehouse deposit and project guarantee deposit.
	<u>\$ 493,377</u>	<u>\$ 495,891</u>	<u>\$ 488,323</u>	

IX. Material Contingent Liabilities and Unrecognized Contractual Commitments

(I) Contingencies

None.

(II) Commitments

1. As of March 31, 2023, the Group has issued a promissory note of \$ 450,000 required for the application a comprehensive credit line and transactions of derivatives.
2. On March 23, 2023, the Board of Directors of the company approved a stock-for-stock exchange transaction as consideration for the acquisition of shares held by 11 shareholders of JETWAY INFORMATION CO., LTD. The company issued 10,523 thousand common shares as consideration for acquiring 26,308 thousand shares of JETWAY INFORMATION CO., LTD. The stock exchange reference date is April 28, 2023. After the completion of this stock exchange transaction, the company will hold 35.09% equity stake in JETWAY INFORMATION CO., LTD. The application for this transaction was approved by the Taiwan Stock Exchange on April 26, 2023.

X. Losses Due to Major Disasters

None.

XI. Material Subsequent Events

None.

XII. Others

(1) Capital management

The Group has set up capital management objectives to ensure continued operation, maintain the best capital structure for the reduction in cost of capital, and protect shareholders interests. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instrument

1. Type of financial instrument

	<u>2023/3/31</u>	<u>2022/12/31</u>	<u>2022/3/31</u>
<u>Financial asset</u>			
At fair value through profit or loss			
- Financial asset			
Mandatory at fair value throughout profit or loss – financial asset	\$ 444,086	\$ 363,178	\$ 400,449
At fair value through other comprehensive income - financial asset			
Designated equity instrument investments	2,381	27,536	30,806
Financial assets measured at amortized cost / loans and receivables			
Cash and cash equivalents	2,848,985	2,234,203	2,178,748
Notes receivable	20,927	17,615	9,059
Accounts receivable	906,849	1,135,029	1,138,306
Other Receivables	18,622	26,067	160,110
Restricted time deposit (including other current assets)	914	921	859
Guarantee deposits (including other non-current assets)	11,962	12,337	11,104
	<u>\$ 4,254,726</u>	<u>\$ 3,816,886</u>	<u>\$ 3,929,441</u>

	2023/3/31	2022/12/31	2022/3/31
<u>Financial liability</u>			
Financial liabilities measured at amortized cost			
Short-term borrowings	\$ -	\$ -	105,000
Notes payable	-	19	-
Accounts payable	422,376	435,973	793,952
Other payables	523,266	593,533	391,062
Long-term borrowings (including current portion)	152,701	155,286	163,113
	<u>\$ 1,098,343</u>	<u>\$ 1,184,811</u>	<u>\$ 1,453,127</u>
Lease liabilities (including current and non-current)	<u>\$ 114,614</u>	<u>\$ 123,174</u>	<u>\$ 84,744</u>

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) Interest rate risk:

The Group continuously keep track on the trend of interest rates and set up stop-loss points to control interest rate risks.

(2) Exchange rate risk:

The Group uses derivative financial instruments such as forward foreign exchange transactions to hedge for foreign currency assets or liabilities or highly probable transactions to reduce the risks in cash flows and fair value from fluctuation in foreign exchange rates. In addition, the changes foreign exchange rate is closely monitored, with a stop loss point to mitigate exchange rate risks.

(3) Credit risk:

The Group has a stringent credit evaluation policy and only trades with counterparties of good credit quality, with regular application of credit protection measures to mitigate credit risk.

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 formulated policies to manage exchange rate risks relative to the functional currency of the Company and its subsidiaries. The finance department is responsible for hedging the overall exchange rate risk. Exchange rate risk is measured through highly probable forecast transactions that involves expenditures denominated in USD and RMB. Accordingly, the Group uses foreign currency forward contracts to mitigate the impact of exchange rate fluctuations on

the costs of purchasing inventories.

- C. Since the Group's businesses involve 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:

		2023/3/31		
		Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)				
<u>Financial asset</u>				
<u>Monetary items</u>				
USD:NTD	\$	86,701	30.45	\$ 2,640,045
EUR:NTD		646	33.15	21,415
USD:CNY		7	6.87	213
USD:SGD		360	1.33	10,962
<u>Financial liability</u>				
<u>Monetary items</u>				
USD:NTD	\$	11,109	30.45	\$ 338,269
USD:CNY		2,137	6.87	65,072
USD:SGD		456	1.33	13,885
		2022/12/31		
		Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)				
<u>Financial asset</u>				
<u>Monetary items</u>				
USD:NTD	\$	71,406	30.71	\$ 2,192,878
EUR:NTD		502	32.72	16,425
USD:CNY		280	6.97	8,599
USD:SGD		292	1.34	8,967
<u>Financial liability</u>				
<u>Monetary items</u>				
USD:NTD	\$	11,005	30.71	\$ 337,964
USD:CNY		2,440	6.97	74,932
USD:SGD		673	1.34	20,668

		2022/3/31		
		Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: functional currency)				
<u>Financial asset</u>				
<u>Monetary items</u>				
USD:NTD	\$	43,947	28.63	\$ 1,258,203
EUR:NTD		526	31.92	16,790
USD:CNY		108	6.35	3,092
USD:SGD		249	1.35	7,129
<u>Financial liability</u>				
<u>Monetary items</u>				
USD:NTD	\$	20,949	28.63	\$ 599,770
EUR:NTD		2	31.92	64
USD:CNY		2,304	6.35	65,964
USD:SGD		573	1.35	16,405

- E. The overall realized and unrealized foreign exchange gains and losses of the Group's monetary items that may be significantly affected by exchange rate fluctuations for the three months periods ended March 31, 2023 and 2022, were (\$14,280) and \$28,860, respectively.
- F. The Group's foreign currency risk analysis due to significant foreign exchange rate fluctuations is as follows:

		<u>For the three-month periods ended March 31, 2023</u>		
		Sensitivity analysis		
		Extent of change	Effect on income	Effect on other comprehensive income
(Foreign currency: functional currency)				
<u>Financial asset</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	26,400	\$ -
EUR:NTD	1%		214	-
USD:CNY	1%		2	-
USD:SGD	1%		110	-
<u>Financial liability</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	3,383	\$ -
USD:CNY	1%		651	-
USD:SGD	1%		139	-

For the three-month periods ended March 31, 2022			
Sensitivity analysis			
	Extent of change	Effect on income	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial asset</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 12,582 \$	-
EUR:NTD	1%	168	-
USD:CNY	1%	31	-
USD:SGD	1%	71	-
<u>Financial liability</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 5,998 \$	-
EUR:NTD	1%	1	-
USD:CNY	1%	660	-
USD:SGD	1%	164	-

Price risk

- A. The Group is exposed to equity instrument price risk because of investments classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage the price risk arising from investments in equity instruments, the Group has diversified its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- B. The Group mainly invests in equity instruments and open-end funds issued by domestic companies, of which the price of equity instruments will be affected by uncertainty of future value of the investment target. Assuming all other factors remain unchanged, if prices of equity instruments rise or fall by 1%, net income for the three months periods ended March 31, 2023 and 2022, would rise or fall by \$2,908 and \$3,647, respectively, for equity instruments measured at fair value through profit or loss, whereas other comprehensive income for the three months periods ended March 31, 2023 and 2022, would rise or fall by \$24 and \$308, respectively, for financial assets measured at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- A. The Group's interest rate risk arises mainly from long-term and short-term borrowings at floating rates, which exposes the Group to cash flow interest rate risk, but part of the risk can be offset by cash and cash equivalents held at floating rates. For the three months periods ended March 31, 2023 and 2022, The Group's floating rate borrowings were mainly denominated in USD.
- B. Assuming all other factors remain unchanged, if the NTD borrowing rate rises or falls by 0.25%, net income for the three-month period ended March 31, 2023 and 2022 will decrease or increase by \$76 and \$134, 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 receivable 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 March 31, 2023, December 31, 2022 and March 31, 2022, the Group had no recourse on 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: \$312,288 and \$367 as of March 31, 2023, \$552,993 and \$399 as of March 31, 2022.
- (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 March 31, 2023, December 31, 2022 and March 31, 2022 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
<u>2023/3/31</u>							
Expected loss rate	0%~1.30%	0%~7.71%	0.07%~14.48%	3.33%~44.38%	4.94%~50.00%	100%	
Total book value	\$ 522,873	\$ 53,693	\$ 24,264	\$ 1,190	\$ 13,881	\$ 13,175	\$ 629,076
Loss allowance	\$ 987	\$ 895	\$ 1,187	\$ 110	\$ 4,083	\$ 13,175	\$ 20,437
<u>2022/12/31</u>							
Expected loss rate	0%~1.30%	0%~7.71%	0.07%~14.48%	3.33%~44.38%	4.94%~50.00%	100%	
Total book value	\$ 578,651	\$ 97,508	\$ 36,204	\$ 13,849	\$ 2,769	\$ 13,197	\$ 742,178
Loss allowance	\$ 1,250	\$ 1,961	\$ 1,992	\$ 1,889	\$ 868	\$ 13,197	\$ 21,157

	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
2022/3/31							
Expected loss rate	0%~1.62%	0%~5.75%	0%~21.18%	0%~43.44%	1.54%~52.04%	100%	
Total book value	\$ 507,095	\$ 65,333	\$ 25,555	\$ 694	\$ 879	\$ 17,888	\$ 617,444
Loss allowance	\$ 3,207	\$ 1,526	\$ 1,698	\$ 154	\$ 6	\$ 17,888	\$ 24,479

(3) The total book values of the accounts receivable-related parties as of March 31, 2023, December 31, 2022 and March 31, 2022 were \$7,216, \$2,510 and \$1,806, respectively. The expected credit loss is not significant thanks to low credit risk, which lead to a loss allowance of \$0.

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)	
	2023	2022
January 1	\$ 21,597	\$ 18,403
Write off of impairment loss	(904)	5,879
Forex effect	111	596
March 31	\$ 20,804	\$ 24,878

From the loss recognized for the three months periods ended March 31, 2023 and 2022, the impairment losses for accounts receivable arising from customer contracts were (\$904) and \$5,879, respectively.

(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 \$679,938, \$680,094 and \$572,948 as of March 31, 2023, December 31, 2022 and March 31, 2022, 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.

Non-derivative financial liabilities:

2023/3/31	Within 1 year	1-2 years	2-5 years	Over 5 years
Accounts payable	\$ 422,376	\$ -	\$ -	\$ -
Other payables	523,266	-	-	-
Long-term borrowings (including current portion and accrued interest)	13,076	13,076	13,076	132,970
Lease liabilities	40,461	17,797	15,941	50,506
Provisions	35,815	11,156	-	-

Non-derivative financial liabilities:

2022/12/31	Within 1 year	1-2 years	2-5 years	Over 5 years
Notes payable	\$ 19	\$ -	\$ -	\$ -
Accounts payable	435,973	-	-	-
Other payables	593,533	-	-	-
Long-term borrowings (including current portion and accrued interest)	12,973	12,973	12,973	135,140
Lease liabilities	41,044	24,321	15,318	52,972
Provisions	34,423	11,317	-	-

Non-derivative financial liabilities:

2022/3/31	Within 1 year	1-2 years	2-5 years	Over 5 years
Short-term borrowings (including accrued interest)	\$ 105,125	\$ -	\$ -	\$ -
Accounts payable	793,952	-	-	-
Other payables	391,062	-	-	-
Long-term borrowings (including current portion and accrued interest)	12,569	12,569	12,569	140,359
Lease liabilities	41,987	29,964	6,629	29,839
Provisions	30,029	9,998	-	-

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.

(3) Information on fair value

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 assets or liabilities identical to those being valued that the entity can obtain at the measurement date. Quoted price in an "active market" means that quoted prices represent market transactions related to assets and liabilities that are readily and regularly occurring. This includes fair values of TWSE listed shares and beneficiary securities invested by the Group.

Level 2: Inputs in this level are observable for assets and liabilities, either directly or indirectly, other than quoted prices described in level 1. This includes fair values of TPEX listed stocks and derivative financial instruments invested by the Group.

Level 3: Inputs in this level are unobservable for assets and liabilities being valued. This includes equity instruments of non-active markets invested by the Group.

2. Financial instruments not measured at fair value

The carrying amounts of the Group's cash and cash equivalents, notes receivable, accounts receivable, other receivables, limited time deposit (classified in the balance sheet as other current asset), guarantee deposits (classified in the balance sheet as other non-current asset), short-term borrowings, notes payable, accounts payable, other payables and lease liabilities are reasonable approximations of fair values.

3. The Group has classified financial and non-financial instruments measured at fair value based on the nature, characteristics and risks of assets and liabilities, as well as in accordance with the fair value hierarchy. The relevant information is as follows:

(1) The Group classifies its financial instrument based on the nature of assets and liabilities, with relevant information as follows:

2023/3/31	1st Level	2nd Level	3rd Level	Total
Asset				
<u>At fair value on a recurring basis</u>				
Net loss (gains) from financial assets and liabilities				
Equity securities	\$ 234,961	\$ 5,439	\$ 50,380	\$ 290,780
Beneficiary securities	26,727	-	-	26,727
Convertible bond	117,600	-	-	117,600
Hybrid instrument	-	-	8,979	8,979
Financial asset at fair value through other comprehensive income				
Equity securities	-	-	2,381	2,381
Total	\$ 379,288	\$ 5,439	\$ 61,740	\$ 446,467
2022/12/31	1st Level	2nd Level	3rd Level	Total
Asset				
<u>At fair value on a recurring basis</u>				
Net loss (gains) from financial assets and liabilities				
Equity securities	\$ 167,325	\$ 4,209	\$ 47,405	\$ 218,939
Beneficiary securities	26,652	-	-	26,652
Convertible bond	108,400	-	-	108,400
Hybrid instrument	-	-	9,187	9,187
Financial asset at fair value through other comprehensive income				
Equity securities	-	-	27,536	27,536
Total	\$ 302,377	\$ 4,209	\$ 84,128	\$ 390,714

2022/3/31	1st Level	2nd Level	3rd Level	Total
Asset				
<u>At fair value on a recurring basis</u>				
Net loss (gains) from financial assets and liabilities				
Equity securities	\$ 307,774	\$ 4,278	\$ 52,646	\$ 364,698
Beneficiary securities	26,525	-	-	26,525
Hybrid instrument	-	-	9,226	9,226
Financial asset at fair value through other comprehensive income				
Equity securities	-	-	30,806	30,806
Total	<u>\$ 334,299</u>	<u>\$ 4,278</u>	<u>\$ 92,678</u>	<u>\$ 431,255</u>

- (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 (1st level), which are classified as follows based on the characteristics of the financial instruments:

	Shares of listed companies	Open-end funds	Convertible corporate bonds
Quoted market price	Closing market prices	Net value	Weighted average price per hundred units

- B. Except for the aforementioned financial instruments in an active market, the fair values of other financial instruments are obtained by using valuation techniques, or by reference to the quoted prices of counterparties.
- 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.
4. Transfers have not occurred between 1st and 2nd level inputs for the three months periods ended March 31, 2023 and 2022.

5. The following table shows changes in 3rd level inputs for the three months periods ended March 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
	<u>Equity instrument</u>	<u>Equity instrument</u>
January 1	\$ 84,128	\$ 98,687
Transfer out 3rd Level	(25,155)	-
Recognition in profit (loss) (Note 1)	2,767	(4,434)
Recognition in other comprehensive profit (loss) (Note 2)	-	(1,575)
March 31	<u>\$ 61,740</u>	<u>\$ 92,678</u>

Changes in unrealized gains
or losses on assets and
liabilities owned at the end of
the period (Note 1)

\$ 2,767 (\$ 4,434)

Note 1: Recorded as other gains (losses).

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

6. As February 9 of the year 2023, 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 three months periods ended March 31, 2022.
7. The Group's validation process for 3rd level fair value measurement on financial instruments is independently performed by the Finance Department. The independent data sources are used to bring the evaluation results closer to the market, while ensuring the reasonableness of evaluation results with consistent resources and executable representative prices.
In addition, the Finance Department is responsible for formulated fair value valuation policies and evaluation procedures, and ensuring the Group's compliance with relevant IFRS regulations.
7. The quantitative analysis of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs as valuation models for 3rd level fair value measurements are as follows:

	2023/3/31 Fair value	Valuation technique	Significant and unobservable input	Range (weighted average)	Relationship between input and fair value
<u>Equity instruments:</u>					
Unlisted and non-OTC stocks	\$ 29,931	Net asset value approach	N/A	N/A	The higher the value of net assets, the higher the fair value of the stocks
Unlisted and non-OTC stocks	1,089	Comparable Listed and OTC companies analysis	Price to book ratio multiple, discount for lack of marketability	N/A	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	21,741	Discounted Cash Flow Approach	Note 1	N/A	Note 2
<u>Hybrid instrument:</u>					
Shares of unlisted companies	56,260	Discounted Cash Flow Approach	Note 1	N/A	Note 2
Embedded option (	47,281)	Options pricing model	Price volatility	N/A	The higher the price volatility, the higher the fair value of the stocks
	2022/12/31 Fair value	Valuation technique	Significant and unobservable input	Range (weighted average)	Relationship between input and fair value
<u>Equity instruments:</u>					
Unlisted and non-OTC stocks	\$ 26,956	Net asset value approach	N/A	N/A	The higher the value of net assets, the higher the fair value of the stocks
Unlisted and non-OTC stocks	1,089	Comparable Listed and OTC companies analysis	Price to book ratio multiple, discount for lack of marketability	N/A	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	46,986	Discounted Cash Flow Approach	Note 1	N/A	Note 2
<u>Hybrid instrument:</u>					
Shares of unlisted companies	65,729	Discounted Cash Flow Approach	Note 1	N/A	Note 2
Embedded option (	56,542)	Options pricing model	Stock price volatility	Not applicable	The higher the stock price volatility, the higher the fair value

	2022/3/31 Fair value	Valuation technique	Significant and unobservable input	Range (weighted average)	Relationship between input and fair value
<u>Equity instruments:</u>					
Shares of unlisted companies	\$ 33,286	Net asset value approach	N/A	N/A	The higher the value of net assets, the higher the fair value of the stocks
Shares of unlisted companies	50,166	Discounted Cash Flow Approach	Note 1	N/A	Note 2
<u>Hybrid instrument:</u>					
Shares of unlisted companies	45,195	Discounted Cash Flow Approach	Note 1	N/A	Note 2
Embedded option	(35,969)	Options pricing model	Price volatility	N/A	The higher the price volatility, the higher the fair value of the stocks

Note 1: Long-term sales growth, weighted average cost of capital, long term net profit before tax, discount for lack of marketability, and discount for minority interest.

Note 2: The higher discount for lack of marketability is, the lower fair value is; the higher weighted average cost of capital and discounts for lack of control are, the lower the fair value is; the higher long-term revenue growth rate and long-term operating profit before income tax are, the higher the fair value is.

9. After careful assessment, the Group has selected valuation models and evaluation parameters, but the application of the various valuation models or evaluation parameters may lead to different evaluation results.

XIII. Disclosures

(1) Information on significant transactions

- 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: None.
- J. Intercompany relationships and significant intercompany transactions: Please refer to Schedule 4.

(2) Information on investees

Names, locations, and related information of investees over which the Company exercises significant influence (excluding information on investment in mainland China): Please refer to Schedule 5.

(3) Information on investments in China

- A. Information on investment in mainland China: Please refer to Schedule 6.
- B. Significant transactions, either directly or indirectly through a third area, with investee companies in China: Please refer to Schedule 4.

(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

The Group's management has identified department responsible for reporting to the board of directors based on the reporting information for their decision-making. In the current period, there were no significant changes in the Group's corporate structure, segmentation bases, and measurement bases for segment information.

(2) Measurement of segment information

Profits or losses of the Group's operating segments are measured by segment income and pre-tax profit/loss, and are used as basis for performance evaluation. In addition, the accounting policies of operating segments are the same as the summary of significant accounting policies in Note 4.

(3) Segment information

Segment information reported to the chief operating decision-maker are provided as follows:

For the three-month periods ended March 31,2023				
	IPC	Medical PC	Elimination	Total
Revenue from external customers	\$ 1,601,400	\$ 327,438	\$ -	\$ 1,928,838
Revenue from internal segments	28,915	504	(29,419)	-
Segment revenue	<u>\$ 1,630,315</u>	<u>\$ 327,942</u>	<u>(\$ 29,419)</u>	<u>\$ 1,923,838</u>
Segment profit or loss	<u>\$ 330,261</u>	<u>\$ 60,174</u>	<u>\$ -</u>	<u>\$ 390,435</u>
Segment profit or loss:				
Depreciation and amortization	<u>\$ 21,856</u>	<u>\$ 6,230</u>	<u>\$ -</u>	<u>\$ 28,086</u>

For the three-month periods ended March 31,2022				
	IPC	Medical PC	Elimination	Total
Revenue from external customers	\$ 1,538,735	\$ 412,956	\$ -	\$ 1,951,691
Revenue from internal segments	67,807	6,252	(74,059)	-
Segment revenue	<u>\$ 1,606,542</u>	<u>\$ 419,208</u>	<u>(\$ 74,059)</u>	<u>\$ 1,951,691</u>
Segment profit or loss	<u>\$ 149,843</u>	<u>\$ 51,052</u>	<u>\$ -</u>	<u>\$ 200,895</u>
Segment profit or loss:				
Depreciation and amortization	<u>\$ 17,826</u>	<u>\$ 6,734</u>	<u>\$ -</u>	<u>\$ 24,560</u>

Note 1: Segment income has been write-off to \$0.

Note 2: Not required to be disclosed as the measure of segment assets has not been provided to the chief operating decision-maker.

(4) Adjustment information on segment profit or loss

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

AAEON Technology Inc. and Subsidiaries

MARKETABLE SECURITIES HELD

(EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)

MARCH 31, 2023

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

Schedule 1

Holding company	Marketable securities type and name			Financial Statement Account	2023/3/31				
	Type	Name (Note 1)	Relationship with the Company		Shares	Carrying value (Note2)	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	\$ 26,727	-	\$ 26,727	None
"	Stock	MACHVISION,INC.	Other related party - the Company's Chairman as a director	"	1,180,198	224,238	2.64	224,238	"
"	"	LILEE SYSTEMS Ltd.	None	"	468,750	-	-	-	"
"	"	Allied Biotech Co.	Other related party - the Company's Chairman as a director	"	300,000	5,439	0.31	5,439	"
"	"	TELEION WIRELESS, INC.	None	"	149,700	-	-	-	"
"	"	InSynerger Technology Co., Ltd.	"	Financial assets at fair value through profit or loss - non-current	1,710,000	19,360	15.05	19,360	"
"	"	V-Net AAEON Corporation Ltd.	"	"	29	8,979	14.50	8,979	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	-	117,600	-	117,600	"
"	Stock	Sunengine Co., Ltd.	Other related party - the Company's Chairman as a director	"	156,903	1,089	2.75	1,089	None
ONYX HEALTHCARE INC.	"	MACHVISION,INC.	"	Financial assets at fair value through profit or loss - current	18,716	3,556	0.04	3,556	"
"	"	TOP UNION ELECTRONICS CORP.	None	"	199,927	7,167	0.16	7,167	"
"	"	INNO FUND III	"	Financial assets at fair value through profit or loss - non-current	3,000,000	29,931	13.04	29,931	"
"	"	MELTEN CONNECTED HEALTHCARE INC.	"	Financial asset at fair value through other comprehensive income - non-current	4,193,548	2,381	6.61	2,381	"

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.

AAEON Technology Inc. and Subsidiaries

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023

Schedule 2

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

Purchasing (sales) company	Related Party	Nature of Relationship	Purchase (sales)	Transaction			Reasons for difference between the related party transaction terms and the arm's length terms of transaction (Note)	Accounts and notes receivable (payable)		Remarks	
				Amount	Percentage of total purchase (sales) (%)	Duration of credit	Price	Duration of credit	Balance		Percentage of total accounts and notes receivable (payable) (%)
AAEON Technology Inc.	ASUSTEK COMPUTER INC	Parent	Purchases	\$ 211,803	30.06	30 days after month-end	\$ -	-	(\$ 33,979)	(11.87)	
"	AAEON TECHNOLOGY (EUROPE) B.V.	Subsidiary	(Sales)	(464,484)	(32.85)	60 days after invoice date	-	-	321,548	46.28	
"	AAEON ELECTRONICS, INC.	"	"	(328,307)	(23.22)	"	-	-	144,264	20.76	

Note: The reasons for difference between the related party transaction terms and the arm's length terms of transaction shall be described in the ASP and loan term section.

AAEON Technology Inc. and Subsidiaries

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

MARCH 31, 2023

Schedule 3

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

Company Name	Related Party	Nature of Relationship	Ending balance (Note 1)	Turnover (%)	Overdue		Amounts Received in Subsequent Period	Allowance for doubtful account
					Amount	Action taken		
AAEON Technology Inc.	AAEON TECHNOLOGY (EUROPE) B.V.	Subsidiary	\$ 321,548	5.61	\$ -	-	\$ 110,120	\$ -
"	AAEON ELECTRONICS, INC.	"	144,264	7.78	-	-	74,326	-

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 NT\$100 MILLION ARE DISCLOSED)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2023

Schedule 4

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

Serial No. (Note 1)	Company Name	Related Party	Nature of relationships (Note 2)	Intercompany transaction			As a percentage of consolidated revenues or total assets (Note 3)
				Financial Statement Account	Amount	Terms	
0	AAEON Technology Inc.	AAEON TECHNOLOGY (EUROPE) B.V.	1	Net sales	\$ 464,484	60 days after invoice date	24.08%
"	"	AAEON ELECTRONICS, INC.	1	Net sales	328,307	"	17.02%
"	"	AAEON TECHNOLOGY (EUROPE) B.V.	1	Accounts receivable	321,548	"	2.73%
"	"	AAEON ELECTRONICS, INC.	1	Accounts receivable	144,264	"	1.23%

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.

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 THREE-MONTH PERIOD ENDED MARCH 31, 2023

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

Schedule 5

Name of investor	Name of investee	Location	Main businesses and products	Original Investment		Balance as of March 31, 2023			Investee profit or loss for the period (Note 2)	Profits or losses on investment recognized for the period (Note 2)	Remarks
				2023/3/31	2022/12/31	Shares	Percentage (%)	Carrying Amount			
AAEON Technology Inc.	AAEON ELECTRONICS, INC.	USA	Sales of IPC and PC peripherals	\$ 149,205	\$ 150,479	490,000	100.00	\$ 283,538	\$ 12,288	\$ 12,292	
"	AAEON TECHNOLOGY CO., LTD	British Virgin Islands	Investment of IPC and interface card	268,176	270,466	8,807,097	100.00	221,687	(4,575)	(4,562)	
"	AAEON TECHNOLOGY (EUROPE) B.V.	Netherlands	Sales of IPC and PC peripherals	3,315	3,272	-	100.00	75,565	18,033	18,033	
"	AAEON TECHNOLOGY SINGAPORE PTE.LTD.	Singapore	Sales of IPC and PC peripherals	13,365	13,346	465,840	100.00	64,072	1,395	1,395	
"	AAEON INVESTMENT, CO., LTD.	Taiwan	Investment of IPC and PC peripherals	150,000	150,000	15,000,000	100.00	138,110	9,205	9,205	
"	ONYX HEALTHCARE INC.	"	Design, manufacture and sales of medical PC	172,368	172,368	16,257,179	48.88	698,530	56,138	27,445	
"	LITEMAX ELECTRONICS INC.	"	Sales of PC peripherals	70,218	70,218	5,015,050	11.97	121,581	30,643	4,801	
"	IBASE TECHNOLOGY INC.	"	Manufacturing and sales of industrial motherboards	3,498,501	3,498,501	52,921,856	28.61	3,498,086	246,550	38,112	
AAEON TECHNOLOGY (EUROPE) B.V.	AAEON TECHNOLOGY GMBH	Germany	Sales of IPC and PC peripherals	995	982	-	100.00	21,324	197	-	Notel

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 THREE-MONTH PERIOD ENDED MARCH 31, 2023

Schedule 5

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

Name of investor	Name of investee	Location	Main businesses and products	Original Investment		Balance as of March 31, 2023			Investee profit or loss for the period (Note 2)	Profits or losses on investment recognized for the period (Note 2)	Remarks
				2023/3/31	2022/12/31	Shares	Percentage (%)	Carrying Amount			
ONYX HEALTHCARE INC.	ONYX HEALTHCARE USA, INC.	USA	Sales of medical PC and peripherals	\$ 60,900	\$ 61,420	200,000	100.00	\$ 76,229	\$ 7,262	-	Note 1
"	ONYX HEALTHCARE EUROPE B.V.	Netherlands	Marketing support and maintenance of medical PC and peripherals	3,315	3,272	100,000	100.00	15,607	(1,533)	-	"
"	IHELPER INC.	Taiwan	R&D and sales of medical robots	16,560	16,560	1,656,000	46.00	7,666	(85)	-	"
"	WINMATE INC.	"	Bid quotations, distributions and sales of LCD application equipment and modules	568,585	568,585	10,244,000	13.43	624,560	111,895	-	"
	ProtectLife International Biomedical INC.	"	Manufacturing and Wholesale of Medical Devices and Consumables	39,701	-	1,720,059	11.54	34,069	(10,100)	-	"

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 March 31, 2023, 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 THREE-MONTH PERIOD ENDED MARCH 31, 2023

Schedule 6

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

Name of investee	Main businesses and products	Paid-in capital	Methods of investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2023	Investee profit or loss for the period	The Company's direct or indirect holding percentage	Share of Profits / Losses (Note 2. (2)C)	Carrying Amount as of March 31, 2023	Accumulated Inward Remittance of Earnings as of March 31, 2023	Remarks
					Outflow	Inflow							
AAEON TECHNOLOGY (SUZHOU) INC.	Production and sales of IPC and interface card	\$ 264,619	2	\$ 264,619	\$ -	\$ -	\$ 264,619	(\$ 4,543)	100%	(\$ 4,543)	\$ 234,581	\$ -	
ONYX HEALTHCARE (SHANGHAI) LTD	Sales of medical PC and peripherals	66,990	1	66,990	-	-	66,990	(600)	100%	(600)	5,249	-	
<u>Company Name</u>	<u>Accumulated Investment in Mainland China as of March 31, 2023</u>	<u>Amount approved by Investment Commission, MOEA</u>	<u>Upper Limit on Investment</u>										
AAEON Technology Inc.	\$ 264,619	\$ 264,619	\$ 5,859,833										
Onyx Technology Inc.	66,990	66,990	876,597										

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 March 31, 2023, 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
MARCH 31, 2023

Schedule 7

Name of major shareholder	Shares	
	Total Shares Owned	Ownership (%)
ASUSTEK COMPUTER INC.	43,756,000	29.255
IBASE TECHNOLOGY INC.	41,698,468	27.880
Yung-Shun Chuang	19,664,000	13.147
HUA-CHENG VENTURE CAPITAL CORP.	8,359,000	5.589
HUA-MIN INVESTMENT CO., LTD.	8,359,000	5.589

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