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

Company Address: 5F., No. 135, Ln. 235, Baoqiao Rd., Xindian Dist., New Taipei City, Taiwan (R.O.C.)

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The independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

AAEON Technology Inc.

Parent Company Only Financial Statements

With Independent Auditor's Review Report Thereon December 31, 2024 and 2023

Content

Independent Auditors' Report

(2025) Tsai-Shen-Bao-Tzi No. 24004136

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

Opinion

We have audited the accompanying separate balance sheets of AAEON Technology Inc. (the "AAEON") as of December 31, 2024 and 2023, and the related statements of comprehensive income, of changes in equity and cash flows for the years ended December 31,2024 and 2023, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other independent auditors, as described in the Other matter section of our report, the separate financial statements present fairly, in all material respects, the separate financial position of AAEON as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years ended December 31, 2024 and 2023, in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers"

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Independent Auditors' Responsibilities for the audit of the separate financial statements section of our report. We are independent of AAEON in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of the other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of separate financial statements of the current period. These matters were addressed in the context of our audits of the separate financial statements as a whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the separate financial statements in the current period are stated as follows:

Existence of sales revenue

<u>Description</u>

Refer to Note 4(27) for the accounting policies on revenue recognition, and Note 6(15) for the details of operating revenue.

AAEON is primarily engaged in the design, manufacturing, and sale of industrial computers and peripherals. As product project orders are susceptible to the product project cycles of customers, efforts are required to explore new markets and undertake new project orders. Therefore, the revenue from products may vary due to market trends in each period. Referring to industry reports and information from peers, the overall market trend has declined this period, while revenue from certain products has grown significantly. Consequently, the auditor considers the existence of the aforementioned sales revenue as one of the most important audit matters for the current year.

<u>How our audit addressed the matter</u>

Our audit procedures performed in AAEON and its subsidiaries (recognized as investments accounted for under equity method) for the above matter are as follow:

1. Evaluate and test the internal control process of sales transactions during the financial reporting

period to ensure that it operates in accordance with the company's established internal control system.

2. Acquire and sample-check relevant documents of the aforementioned sales revenue transactions to confirm that customers have obtained control of the goods and assumed the risks of the goods before recognizing revenue.

Evaluation of inventories

Description

Refer to Note 4(11) for the accounting policies on the evaluation of inventories; Note 5 for the uncertainty of accounting estimate and assumptions for evaluation of inventories, and Note 6(4) for the details of inventory.

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

Corresponding the sales market and development strategies, AAEON readily adjusts its stocking demands, with significant inventory balances as industrial computers are the main products. In addition, given high uncertainty from the management’s subjective estimates on the net realizable value used in evaluating obsolete inventories, the allowance for inventory devaluation is listed as one of the key audit matters.

How our audit addressed the matter

Our audit procedures performed in AAEON and its subsidiaries (recognized as investments accounted for under equity method) for the above matter are as follow:

1. Assess the policy on allowance for inventory valuation loss based on our understanding of the operations and industry of AAEON.
2. Inspect the managements individually identified out-of-date inventory list and checked the related supporting documents.
3. Test the basis of market value used in calculating the net realizable value of inventory and validated the accuracy of net realizable value calculation of selected samples.

Other matters – reference to the audits of other independent auditors

We did not audit the financial statement of certain investments accounted for under equity method. The financial statements of these investments accounted for under equity method were audited by other independent auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included in the separate financial statements and information disclosed relative to these investments, is based solely on the reports of other independent auditors.These investments accounted for under equity method amounted to $4,021,229 thousand and $4,104,236 thousand, constituting 35.95% and 37.30% of total assets as of December 31, 2024 and 2023, respectively, and the comprehensive income (loss) of subsidiaries, associates, and joint ventures accounted for under equity method amounted to $189,468 thousand and $261,686 thousand, respectively, constituting for 18.04% and 25.11% of total comprehensive income for the years ended December 31, 2024 and 2023, respectively.

Responsibilities of management and those charged with governance for the

separate financial statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with the requirements of the "Regulation Governing the Preparation of Financial Reports by Securities Issuers" and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the ability to AAEON to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate AAEON or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including Audit Committee, are responsible for overseeing the financial reporting process of AAEON.

Independent auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these individual financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of AAEON.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of AAEON to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause AAEON to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the individual financial statements,

including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within AAEON to express an opinion on the separate financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

PwC Taiwan

Certified Public Accountant

Chang, Shu-Chiung

Lin, Chun-Yao

(Formerly known as) Financial Supervisory Commission, Executive Yuan
Approval reference: FSC No. 0990042602

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

February 27, 2025

Notes to Readers

The accompanying parent company only financial statements are intended only to present the statements 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying parent company only 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 parent company only financial statements, the Chinese version shall prevail.

AAEON Technology Inc.
SEPARATE BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed In Thousands of New Taiwan Dollars)

	Assets	Notes	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current asset					
1100	Cash and cash equivalents	6 (1)	$ 3,017,545	27	$ 2,678,019	24
1110	Financial asset at fair value through profit or loss - current	6 (2)	499,765	5	289,806	3
1150	Net notes receivable	6 (3)	-	-	663	-
1170	Net accounts receivable	6 (3)	166,003	2	174,159	2
1180	Accounts receivable - net amount of related party	7	376,023	3	430,867	4
1200	Other receivables	7	18,200	-	1,457	-
130X	Inventories	6 (4)	660,269	6	803,914	7
1410	Prepayments		32,955	-	27,316	-
11XX	**Total current assets**		4,770,760	43	4,415,907	40
	Non-current assets					
1510	Financial asset at fair value through profit or loss - non-current	6 (2)	27,478	-	27,994	-
1550	Investments accounted for under equity method	6 (5)	5,757,718	52	5,941,152	54
1600	Property, plant and equipment	6 (6) and 7	361,998	3	358,604	3
1755	Right-of-use assets	6 (7)	58,830	1	40,370	-
1760	Investment property	6 (8)	153,098	1	154,059	2
1780	Intangible assets	7	14,932	-	7,332	-
1840	Deferred tax assets	6 (22)	29,985	-	43,465	1
1900	Other non-current assets		10,724	-	13,163	-
15XX	**Total non-current assets**		6,414,763	57	6,586,139	60
1XXX	**Total assets**		$ 11,185,523	100	$ 11,002,046	100

(Continued)

AAEON Technology Inc.
SEPARATE BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed In Thousands of New Taiwan Dollars)

	Liabilities and equity	Notes	December 31, 2024 Amount	%	December 31, 2023 Amount	%
	Current liability					
2120	Financial liability at fair value through profit or loss - current	6 (2)	$ 391	-	$ -	-
2130	Contract liability - current	6 (15)	97,060	1	54,471	1
2150	Notes payables		-	-	2	-
2170	Accounts payables		220,998	2	188,304	2
2180	Accounts payables - related party	7	71,312	1	65,354	1
2200	Other payables	6 (9) and 7	432,260	4	443,210	4
2230	Current tax liabilities		33,994	-	46,060	-
2250	Provisions - current		21,769	-	26,152	-
2280	Lease liability - current		29,691	-	18,244	-
2399	Other current liabilities - other		37,537	1	41,450	-
21XX	**Total current liabilities**		945,112	9	883,247	8
	Non-current liabilities					
2527	Contract liability - non-current	6 (15)	6,626	-	5,384	-
2550	Provisions - non-current		6,101	-	7,040	-
2570	Deferred tax liabilities	6 (22)	96,672	1	71,189	1
2580	Lease liability - non-current		30,413	-	23,376	-
2600	Other non-current liabilities		1,210	-	1,210	-
25XX	**Total non-current liabilities**		141,022	1	108,199	1
2XXX	**Total liabilities**		1,086,134	10	991,446	9
	Equity					
	Share capital	6 (12)				
3110	Share capital-common stock		1,693,692	15	1,602,418	15
3140	Advance receipts for share capital		820	-	1,660	-
	Capital surplus	6 (13)				
3200	Capital surplus		6,412,230	57	6,421,702	58
	Retained earnings	6 (14)				
3310	Legal reserve		674,628	6	577,944	5
3320	Special reserve		12,359	-	12,359	-
3350	Undistributed retained earnings		1,159,106	11	1,331,564	12
	Other equity					
3400	Other equity		146,554	1	62,953	1
3XXX	**Total equity**		10,099,389	90	10,010,600	91
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 11,185,523	100	$ 11,002,046	100

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

Chairman: Yung-Shun Chuang Manager: Chien-Hung Lin Accounting Supervisor: Jen-Chung Wang

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

	Item	Notes	2024 Amount	%	2023 Amount	%
4000	**Operating revenue**	6 (15) and 7	$ 3,918,896	100	$ 4,664,543	100
5000	**Operating costs**	6 (4) (20) (21) and 7	(2,766,263)	(70)	(3,290,274)	(70)
5900	**Gross profit from operations**		1,152,633	30	1,374,269	30
5910	Unrealized profit from sales		(46,624)	(1)	(53,930)	(1)
5920	Realized profit from sales		53,930	1	68,007	1
5950	**Gross profit from operations, net**		1,159,939	30	1,388,346	30
	Operating expenses	6 (20) (21) and 7				
6100	Selling expense		(102,720)	(3)	(109,175)	(3)
6200	General and administrative expenses		(137,713)	(4)	(151,527)	(3)
6300	Research and development expenses		(483,187)	(12)	(480,047)	(10)
6450	Expected credit impairment loss or (gain)	12 (2)	(539)	-	(5)	-
6000	**Total operating expense**		(724,159)	(19)	(740,754)	(16)
6900	**Operating income**		435,780	11	647,592	14
	Non-operating income and expenses					
7100	Interest income	6 (16)	108,232	3	57,225	1
7010	Other income	6 (17) and 7	19,091	1	19,781	1
7020	Other gains and losses	6 (18) and 7	405,413	10	105,301	2
7050	Financial costs	6 (19)	(2,093)	-	(1,283)	-
7070	Share of the profit of the subsidiaries, associates and joint ventures accounted for under equity method		136,046	3	309,708	7
7000	**Total non-operating income and expenses**		666,689	17	490,732	11
7900	**Profit before income tax**		1,102,469	28	1,138,324	25
7950	Income tax expense	6 (22)	(135,592)	(3)	(168,979)	(4)
8200	**Profit for the year**		$ 966,877	25	$ 969,345	21
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans		($ 9)	-	$ -	-
8330	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		37,629	1	71,962	1
8349	Income tax relating to items that will not be reclassified	6 (22)	2	-	-	-
8310	**Total other comprehensive income (loss) that will not be reclassified to profit or loss**		37,622	1	71,962	1
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		46,525	1	(2,874)	-
8380	Share of other comprehensive income of associates and joint ventures accounted for under equity method - to be reclassified to profit or loss		6,096	-	3,871	-
8399	Income tax relating to the components of other comprehensive income	6 (22)	(6,642)	-	(15)	-
8360	**Total amount to be reclassified to profit or loss in subsequent periods**		45,979	1	982	-
8300	**Net Other comprehensive income**		$ 83,601	2	$ 72,944	1
8500	**Total comprehensive income**		$ 1,050,478	27	$ 1,042,289	22
	Basic earnings per share	6 (23)				
9750	**Basic earnings per share**		$ 7.72		$ 8.03	
	Diluted earnings per share	6 (23)				
9850	**Diluted earnings per share**		$ 7.67		$ 7.92	

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

Chairman: Yung-Shun Chuang Manager: Chien-Hung Lin Accounting Supervisor: Jen-Chung Wang

AAEON Technology Inc.
SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed In Thousands of New Taiwan Dollars, except as otherwise indicated)

		Share Capital			Retained Earnings			Other Equity			
	Notes	Common shares	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Undistributed retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) form financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total
For the years ended December 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
Profit for the period		-	-	-	-	-	969,345	-	-	-	969,345
Other comprehensive income		-	-	-	-	-	-	742	72,083	119	72,944
Total comprehensive income		-	-	-	-	-	969,345	742	72,083	119	1,042,289
Appropriations of 2022 earnings	6 (14)										
Legal reserve		-	-	-	107,411	-	(107,411)	-	-	-	-
Reversal of special reserve		-	-	-	-	(52,446)	52,446	-	-	-	-
Cash dividends		-	-	-	-	-	(746,127)	-	-	-	(746,127)
Issuance of new shares in exchange for other company's shares	6 (12) (13)	105,233	-	848,183	-	-	-	-	-	-	953,416
Recognition of changes in ownership interest in subsidiaries	6 (13)	-	-	(3,935)	-	-	-	-	-	-	(3,935)
Effect from long-term investment that has not been recognized based on shareholding percentage	6 (13)	-	-	162	-	-	-	-	-	-	162
Change in associates and joint ventures accounted for under equity method	6 (13)	-	-	64,235	-	-	-	-	-	-	64,235
Share-based Payment	6 (11) (13)	-	-	4,728	-	-	(140)	-	-	-	4,588
Employee stock options exercised	6 (11) (12) (13)	6,360	230	46,959	-	-	-	-	-	-	53,549
Disposal of financial assets at fair value through other comprehensive income		-	-	-	-	-	(2,368)	-	2,368	-	-
Balance at December 31, 2023		$ 1,602,418	$ 1,660	$ 6,421,702	$ 577,944	$ 12,359	$ 1,331,564	($ 20,663)	$ 85,628	($ 2,012)	$ 10,010,600
For the year ended December 31, 2024											
Balance at January 1, 2024		$ 1,602,418	$ 1,660	$ 6,421,702	$ 577,944	$ 12,359	$ 1,331,564	($ 20,663)	$ 85,628	($ 2,012)	$ 10,010,600
Profit of the period		-	-	-	-	-	966,877	-	-	-	966,877
Other comprehensive income		-	-	-	-	-	-	45,873	37,470	258	83,601
Total comprehensive income		-	-		-	-	966,877	45,873	37,470	258	1,050,478
Appropriations of 2023 earnings:	6 (14)										
Legal reserve		-	-	-	96,684	-	(96,844)	-	-	-	-
Cash dividends		-	-	-	-	-	(1,042,651)	-	-	-	(1,042,651)
Capital surplus-stock dividends	6 (12)	80,204	-	(80,204)	-	-	-	-	-	-	-
Recognition of changes in ownership interest in subsidiaries	6 (13)	-	-	(1,312)	-	-	-	-	-	-	(1,312)
Change in associates and joint ventures accounted for under equity method	6 (13)	-	-	17,085	-	-	-	-	-	-	17,085
Share-based Payment	6 (13)	-	-	747	-	-	-	-	-	-	747
Employee stock options exercised	6 (11) (12) (13)	11,070	(840)	54,212	-	-	-	-	-	-	64,442
Balance at December 31, 2024		$ 1,693,692	$ 820	$ 6,412,230	$ 674,628	$ 12,359	$ 1,159,106	$ 25,210	$ 123,098	($ 1,754)	$ 10,099,389

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

Chairman: Yung-Shun Chuang　　Manager: Chien-Hung Lin　　Accounting Supervisor: Jen-Chung Wang

AAEON Technology Inc.
SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed In Thousands of New Taiwan Dollars)

	Notes	For the years ended December 31, 2024	2023
Cash flows from operating activities			
Profit before tax		$ 1,102,469	$ 1,138,324
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expenses	6. (6) (7) (20)	66,255	56,844
Amortization expenses	6. (20)	10,824	7,780
Expected credit impairment losses (gains)	12. (2)	539	5
Costs of share-based payment awards	6. (11)	-	2,246
Interest income	6. (16)	(108,232)	(57,225)
Dividend income	6. (17)	(8,516)	(10,982)
Interest expenses	6. (7) (19)	2,093	1,283
Net loss from financial assets and liabilities at fair value through profit or loss	6. (2) (18)	(209,383)	(106,519)
Gain on disposal of investments	6. (18)	-	(118)
Loss on disposals of property, plant and equipment	6. (18)	-	892
Depreciation expense of investment property (other gains and losses)	6. (18)	961	961
Share of profit of associates accounted for under equity method		(136,046)	(309,708)
Realized (gain) loss on inter-affiliate accounts		(7,306)	(14,077)
Gain on lease modification	6. (7) (18)	(554)	(25)
Changes in operating assets and liabilities			
Net changes in operating assets			
Financial assets and liability at fair value through profit or loss		330	-
Notes and accounts receivable (including related parties)		63,124	262,082
Other receivables		(1,219)	3,040
Inventories		143,645	742,544
Prepayments		(5,639)	4,933
Net changes in operating liabilities			
Contract liability		43,831	(57,067)
Notes and accounts payable (including related parties)		38,650	(52,669)
Other payables		(9,425)	1,313
Other current liabilities		(3,913)	8,380
Provisions for liabilities		(5,322)	(2,853)
Net cash from operating activities		977,166	1,619,384
Interest received		102,065	57,225
Interest paid		(2,093)	(1,283)
Income taxes paid		(115,335)	(295,728)
Net cash flows from operating activities		961,803	1,379,598

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AAEON Technology Inc.
SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed In Thousands of New Taiwan Dollars

	Notes	For the years ended December 31, 2024	2023
Cash flows from investing activities			
Disposal of financial assets at fair value through profit or loss		-	8,241
Acquisition of investments accounted for under equity method		-	(4,831)
Reduction of capital and refund of share capital under equity method		66,130	-
Acquisition of property, plant and equipment	6. (24)	(31,033)	(38,052)
Increase in intangible assets		(18,424)	(7,717)
Increase in refundable deposits		22	451
Increase in other non-current assets		(3,584)	(1,617)
Dividends received		379,892	474,923
Net cash flows from investing activities		393,003	431,398
Cash flows from financing activities			
Repayment of lease principal	6. (25)	(33,474)	(29,310)
Cash dividends paid	6. (14)	(1,042,651)	(746,127)
Increase in refundable deposits		-	312
Employee share options exercised		60,845	41,033
Net cash flows from financing activities		(1,015,280)	(734,092)
Increase (decrease) in cash and cash equivalents		339,526	1,076,904
Cash and cash equivalents at the beginning of periods		2,678,019	1,601,115
Cash and cash equivalents at the end of periods		$ 3,017,545	$ 2,678,019

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

Chairman: Yung-Shun Chuang Manager: Chien-Hung Lin Accounting Supervisor: Jen-Chung Wang

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

I. Company Profile

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

II. Date and Procedures for the Authorization of Separate Financial Statements

These separate financial statements were approved by the Board of Directors on February 27, 2025.

III. New or Revised Standards and Applied Interpretation

(I) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

Newly issued revised or amended standards and interpretations	Effective date issued by IASB
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

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

(II) Effect of new issuances of or amendments to International Financial Reporting Standards as endorsed by the FSC but not yet adopted by the Company

New standards interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

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

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

(III) International Financial Reporting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature dependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, "Sale or contribution of assets between an investor and its associate or joint venture"	To be determined by International Accounting Standards Board
IFRS 17, "Insurance contracts"	January 1, 2023
Amendments to IFRS 17, "Insurance contracts"	January 1, 2023
Amendments to IFRS 17, "Initial application of IFRS 17 and IFRS 9 - comparative information"	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

IV. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(I) Compliance Statement

The separate financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

1. Except for the following significant items, these separate financial statements have been prepared under the historical cost convention:
   (1) Financial assets and liabilities (including derivatives) that have been measured at fair value through profit or loss.
   (2) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
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 Company's accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the separate financial statements are disclosed in Note 5.

(III) Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The separate financial statements are presented in “New Taiwan Dollars (NTD)”, which is the Company’s functional and presentation currency.

1. Foreign currency transaction and account balances

(1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(2) Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(3) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, nonmonetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(4) All foreign exchange gains and losses are presented in the statement of comprehensive income within “other gains and losses”.

2. Translation of foreign operations

The operating results and financial position of all the subsidiaries and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

A. Assets and liabilities for each balance sheets presented are translated at the closing exchange rate at the end of the financial reporting period;

B. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

C. All resulting exchange differences are recognized in other comprehensive income.

(IV) Classification of current and non-current items

1. Assets that meet one of the following conditions are classified as current assets:

(1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(2) Assets held mainly for trading purposes.

(3) Assets are expected to be realized within twelve months from the balance sheet date.

(4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

Otherwise they are classified as non-current assets.

2. Liabilities that meet one of the following criteria are classified as current liabilities:

(1) Liabilities that are expected to be settled within the normal operating cycle;

(2) Liabilities arising mainly from trading activities;

(3) Liabilities that are to be settled within twelve months from the balance sheet date;

(4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Otherwise they are classified as non-current liabilities.

(V) Cash equivalents

Cash equivalents refer to short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value. Time deposits can be classified as cash equivalents if they meet the criteria mentioned above and are held for short-term cash commitments in operational purpose.

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

1. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
2. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognised using trade date accounting.
3. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
4. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(VII) Accounts and notes receivable

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

(VIII) Impairment of financial assets

For accounts receivable that have a significant financing component, at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(IX) Derecognition of financial assets

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

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

(X) Leasing arrangements (lessor) – operating leases

Lease income from an operating lease net of any incentives given to the lessee is recognized in profit or loss on a straight-line basis over the lease term.

(XI) Inventories

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

(XII) Investments accounted for under equity method /subsidiaries and associates

1. Subsidiaries are all entities (including structured entity) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
2. Unrealized gains on transactions between the Company and its subsidiaries are eliminated to the extent of the Company’s interest in the subsidiaries. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
3. The Company’s share of its subsidiaries’ post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company’s share of losses in a subsidiary equal or exceeds its interest in the subsidiary, the Company should continue to recognize losses in proportion to its ownership.

4. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transaction with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity

5. When the Company loses the control in a subsidiary, the remaining investment is remeasured at fair value and initially recognized as fair value for the financial asset or initially recognized at cost for the investment in the affiliate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. The Company shall account for all amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the Company had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by the Company would be reclassified to profit or loss on the disposal of the related assets or liabilities, the gain or loss from equity is reclassified to profit or loss when the Company loses significant influence.

6. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20% or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

7. The Company's share of its associates' post-acquisition profits or losses or other comprehensive income is recognized as current profit or loss or other comprehensive income as appropriate. When the Company's share of losses in an associate equal or exceeds its interest in the associate (including any other unsecured receivables), the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

8. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes change in ownership interests in the associate in "capital surplus" in proportion to its ownership.

9. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

10. When the affiliate issues additional shares, if the Company does not subscribe or acquire based on the proportion, which lead to a change in investment proportion but still with significant influence, the increase or decrease in net equity value are adjusted against the "capital reserve" and "investments accounted for using the equity method". If the Company's investment is reduced, apart from the above adjustments, the Company reclassifies to profit or loss the proportion of the gain or loss previously recognized in other comprehensive income relative to that reduction in ownership interest.

11. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

12. When the Company loses significant influence at the disposal of an associate, the Company shall account for all amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the Company

had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by the Company would be reclassified to profit or loss on the disposal of the related assets or liabilities, the gain or loss from equity is reclassified to profit or loss when the Company loses significant influence. If the Company still has significant influence on the affiliate, the proportionate amount of the gains or losses previously recognized in other comprehensive income is reclassified.

13. When the Company loses significant influence at the disposal of an affiliate, the related capital reserve shall be recognized as profit or loss; if the Company still has significant influence on the affiliate, capital reserve is transferred to profit or loss based on disposal ratio.
14. According to "Regulations Governing the Preparation of Financial Reports by Securities Issuers", profit and other comprehensive income in the separate financial statements should be the same as profit and other comprehensive income attributable to shareholders of the parent in the consolidated financial statements, and the equity in the separate financial statements should be the same as the equity attributable to shareholders of the parent in the consolidated financial statements.
15. For the reciprocal investments between the Company and another company, investment income or loss was recognized under equity method based on the amount prior to recognition of profit or loss.

(XIII) Property, plant and equipment

1. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
2. Subsequent costs are included in the carrying amount of an asset or recognized as an asset only if it is probable that future economic benefits associated with the item will flow to the Company, and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced shall be derecognized. All other repair and maintenance costs are recognized in profit or loss as incurred.
3. Except for land which is not depreciated, other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it should be depreciated separately.
4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each end of the financial reporting period. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated economic lives of various assets are as follows:

Buildings	40-50 years
Machinery and equipment	2-8 years
Other equipment	1-8 years

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

1. Leases are recognized as a right-of-use asset and a corresponding lease liability at the

date at which the leased asset is available for use by the Company. For short-term leases or leases of low value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

2. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payment, less any lease incentives receivable. The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

3. At the commencement date, the right-of-use asset is stated at cost comprising the following:

   (1) The amount of the initial measurement of lease liability;
   (2) Any lease payments made at or before the commencement date; and
   The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

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

(XV) Investment property

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

(XVI) Intangible asset

Computer software is recognized at acquisition cost and amortized using the straight-line basis over its useful life of 1-8 years.

(XVII) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(XVIII) Notes and accounts payable

1. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

2. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

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

1. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.
2. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognized in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognized in profit or loss.

(XX) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(XXI) Non-hedging derivatives and embedded derivatives

1. Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.
2. Under the financial assets, the hybrid contracts embedded with derivatives are initially recognised as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost based on the contract terms.

(XXII) Provisions

Provisions (warranties) are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(XXIII) Employee benefits

1. Short-term employee benefits

   Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

2. Pension funds

(1) Defined contribution plans

For defined contribution plan, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments

(2) Defined benefit plans

A. The liability recognized in the balance sheets in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the financial reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash follow using interest rates of government bonds or interest rates of return of highquality investments that have tersms to maturity approximating to the terms of the related pension liability.

B. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as other equity.

C. Past service costs are recognised immediately in profit or loss.

3. Employees' compensation and directors' remuneration

Employees' compensation and directors 'remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(XXIV) Share-based payment for employees

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

(XXV) Income tax

1. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the financial reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.
3. Deferred income tax is recognized, using the balance sheets liability method, on temporary

differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the financial reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

4. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At the end of the financial reporting period, unrecognized and recognized deferred income tax assets are reassessed.
5. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheets when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheets when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(XXVI) Dividend

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(XXVII) Revenue recognition

1. Sales of products
   (1) The Company manufactures and sells products related to industrial computers, and sales revenue is recognized when control is transferred to the customer, that is, upon delivery of the product. The wholesaler has full discretion over the channel and price to sell the products, and there is no unsatisfied performance obligations that could affect the wholesaler's acceptance of products. Delivery does not occur until the products have been shipped to the specified location, the risk of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the company has objective evidence that all criteria for acceptance have been satisfied.
   (2) Revenues from sales of products related to industrial computers are recorded based on the contract price net of the estimated volume discounts and returns at the time of sale. The quantity discounts and sales discounts given to customers are usually calculated on the basis of 6 months of cumulative sales. The Company estimates sales discounts based on historical experience under the expected value method, with revenue amount included to the extent that it is highly probable a significant reversal in the amount of cumulative revenue recognized will not occur, while

estimates are updated at the end of the reporting period. The estimated sales discount provided to customers as of the end of the reporting period is recognized as refund liability. The terms for sales transactions are payment 30-60 days after end of month. As the interval between transfer of the promised goods or services and payment by the customer is less than 12 months, the Company has not adjusted transaction price to reflect the time value of money.

(3) The Company provides product warranty for the goods sold, and has the obligation to provide refund for the defective goods sold, while the provisions for sales return should be recognized.

(4) Accounts receivable is recorded when the Company has the unconditional right to the consideration at that time since payment is due based only upon the passage of time.

2. Warrant income

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

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

The preparation of these separate financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions at the end of the financial reporting period and estimates concerning future events. The resulting accounting estimates and assumptions might be different from the actual results, and will be continually evaluated and adjusted based on historical experience and other factors; These estimates and assumptions have the risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and the related information is addressed below:

Significant Accounting Estimations

Evaluation of inventories

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

As of December 31, 2024, the carrying amount of the Company's inventory was $660,269.

VI. Details of significant accounts

(I) Cash and cash equivalents

	2024/12/31	2023/12/31
Reserve cash and working capital	$ 636	$ 520
Checking accounts and demand deposits	1,206,103	1,049,192
Time deposits	1,810,806	1,628,307
Total	$ 3,017,545	$ 2,678,019

1. Due to good credit quality of the Company's principal financial institutions and the Company's relationships with multiple financial institutions, the exposure to a diversified set of risks would lower the probability of a default.

2. The Company has no cash and cash equivalents pledged to others.

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

Item	2024/12/31	2023/12/31
Current:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed and OTC stocks	$ 81,221	$ 81,221
Emerging stocks	3,000	3,000
Unlisted and non-OTC stocks	-	52,043
Beneficiary securities	25,000	25,000
	109,221	161,264
Valuation adjustment	390,544	128,542
Subtotal	$ 499,765	$ 289,806
Financial liabilities held for trading		
Derivatives	$ 391	$ -
Non-current:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted and non-OTC stocks	$ 81,113	$ 29,070
Hybrid instrument	10,832	10,832
Valuation adjustment	91,945	39,902
Subtotal	(64,467)	(11,908)
	$ 27,478	$ 27,994

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 or repurchase stocks of the Company and V-net at the original transaction price. Please refer to Note 12 (3) 9 for the fair value as of December 31, 2024 and 2023.

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

	2024/12/31	2023/12/31
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	$ 209,582	$ 107,029
Beneficiary certificates	378	322
Derivatives	(61)	(279)
Hybrid instrument	(516)	(553)
Total	$ 209,383	$ 106,519

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

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

Forward foreign exchange contracts

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

4. The Company has no financial assets at fair value through profit or loss pledged to others.

(III) Notes and accounts receivables

	2024/12/31	2023/12/31
Notes receivable	$ -	$ 663
Accounts receivable	$ 166,600	$ 174,217
Less: Loss allowance	(597)	(58)
	$ 166,003	$ 174,159

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

Notes receivable	2024/12/31	2023/12/31
Not past due	$ -	$ 663

Accounts receivable	2024/12/31	2023/12/31
Not past due	$ 142,280	$ 169,850
Within 30 days	23,695	3,825
31-60 days	140	542
61-90 days	49	-
91-120 days	436	-
	$ 166,600	$ 174,217

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

2. Balances of accounts and notes receivable as of December 31, 2024 and 2023 had arisen entirely from customers' contracts. Balance receivable on customers' contracts and allowance for losses as of January 1, 2023 were $218,491 and $53 respectively.

3. The Company does not does not hold any financial assets as security for accounts and notes receivables.

4. Regardless of any collateral held or other credit enhancements, the maximum exposure to the credit risk of notes receivables as of December 31, 2024 and 2023 were $0 and $663 respectively, and the maximum exposure to the credit risk of accounts receivable as of December 31, 2024 and 2023 were $166,003 and $174,159, respectively.
5. Please refer to Note 12 (2) for credit risk information of notes and accounts receivables.

(IV) Inventories

	2024/12/31		
	Cost	Valuation allowance	Carrying amount
Raw material	$ 325,701	($ 28,319)	$ 297,382
Work in progress	267,556	(9,650)	257,906
Finished good	107,165	(7,366)	99,799
Merchandise inventory	5,571	(661)	4,910
Inventory in transit	272	-	272
Total	$ 706,265	($ 45,996)	$ 660,269

	2023/12/31		
	Cost	Valuation allowance	Carrying amount
Raw material	$ 458,719	($ 55,589)	$ 403,130
Work in progress	284,201	(8,693)	275,508
Finished good	125,978	(6,436)	119,542
Merchandise inventory	6,923	(1,189)	5,734
Total	$ 875,821	($ 71,907)	$ 803,914

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

	For the years ended December 31,	
	2024	2023
Cost of inventories sold	$ 2,776,706	$ 3,284,267
(Reverse gain) Loss on inventory valuation and obsolescence	(10,424)	6,032
Others	(19)	(25)
	$ 2,766,263	$ 3,290,274

(V) Investments accounted for under equity method

Investee	2024/12/31 Ownership (%)	2024/12/31 Book value	2023/12/31 Ownership (%)	2023/12/31 Book value
AAEON ELECTRONICS, INC.	100	$ 351,164	100	$ 328,750
AAEON TECHNOLOGY SINGAPORE PTE. LTD.	100	67,729	100	67,788
AAEON TECHNOLOGY CO., LTD	100	145,394	100	182,101
AAEON TECHNOLOGY (EUROPE) B.V.	100	85,328	100	97,059
AAEON INVESTMENT, CO., LTD.	100	139,553	100	141,494
ONYX HEALTHCARE INC.	48.40	736,445	48.51	723,545
LITEMAX ELECTRONICS INC.	11.86	119,748	11.91	114,718
IBASE TECHNOLOGY INC.	26.70	3,251,957	26.82	3,359,992
JETWAY INFORMATION CO., LTD.	35.29	860,400	35.27	925,705
		$ 5,757,718		$ 5,941,152

1. Subsidiary

   Information about the Company's subsidiaries is provided in Note 4 (3) of the 2024 consolidated financial statements.

2. Associates

   (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 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 the Group holds 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:

   (A) Either party wishes to reduce shares of the other party which are acquired based on the share exchange agreement.

   (B) 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 Company's share in these associates is as follows:

Balance sheet

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

Statement of comprehensive income

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

(3) The Company's share of their operating results of associates that are individually not significant to the Company:

As of December 31, 2024, and 2023, the carrying value of the Company's individually insignificant affiliates were $119,748 and $114,718, respectively.

	For the years ended December 31,	
	2024	2023
Net income of continuing operations	$ 23,555	$ 18,826
Other comprehensive income (net amount after tax)	(58)	90
Total comprehensive income	$ 23,497	$ 18,916

(4)The fair value of the Company's associates which have quoted market price is as follows:

	2024/12/31	2023/12/31
Litemax	$ 333,501	$ 237,713
IBASE	3,900,341	4,270,794
	$ 4,233,842	$ 4,508,507

(5) Although the Company 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) The Company is the single largest shareholder of IBASE TECHNOLOGY INC, with a 26.7% equity interest. Given that the degree of other shareholders involvement in prior stockholders' meeting and record of voting rights for major proposals, which indicates that the Company has no substantial ability to direct the relevant activities, the Company has no control, but only has significant influence, over the company.

The Company is the single largest shareholder of LITEMAX ELECTRONICS INC., with a 11.86% equity interest. Considering that the remaining 88.14% of LITEMAX's equity is concentrated in investors from other parties, the number of votes for the minority voting rights holders to act together has surpassed that of the Group, Therefore, the Company has no control over the company and only has significant influence on LITEMAX.

(VI) Property, Plant and Equipment

	2024					
	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment to be inspected	Total
January 1						
Cost	$ 183,539	$ 155,443	$ 93,349	$ 62,786	$ -	$ 495,117
Accumulated depreciation and impairment	-	(70,084)	(40,165)	(26,264)	-	(136,513)
	$ 183,539	$ 85,359	$ 53,184	$ 36,522	$ -	$ 358,604
January 1	$ 183,539	$ 85,359	$ 53,184	$ 36,522	$ -	$ 358,604
Additions	-	114	10,176	18,439	878	29,607
Reclassification	-	147	590	6,133	(878)	5,992
Depreciation expense	-	(3,082)	(12,880)	(16,243)	-	(32,205)
December 31	$ 183,539	$ 82,538	$ 51,070	$ 44,849	$ -	$ 361,998
December 31						
Cost	$ 183,539	$ 155,704	$ 104,115	$ 81,594	$ -	$ 524,952
Accumulated depreciation and impairment	-	(73,166)	(53,045)	(36,743)	-	(162,954)
	$ 183,539	$ 82,538	$ 51,070	$ 44,851	$ -	$ 361,998

	2023					
	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment to be inspected	Total
January 1						
Cost	$ 183,539	$ 111,836	$ 77,959	$ 43,487	$ 6,643	$ 423,464
Accumulated depreciation and impairment	-	(47,570)	(29,540)	(20,572)	-	(97,682)
	$ 183,539	$ 64,266	$ 48,419	$ 22,915	$ 6,643	$ 325,782
January 1	$ 183,539	$ 64,266	$ 48,419	$ 22,915	$ 6,643	$ 325,782
Additions	-	670	7,529	25,063	2,317	35,579
Disposal	-	-	-	(892)		(892)
Reclassification	-	23,534	8,542	2,281	(8,960)	25,397
Depreciation expense	-	(3,111)	(11,306)	(12,845)	-	(27,262)
December 31	$ 183,539	$ 85,359	$ 53,184	$ 36,522	$ -	$ 358,604
December 31						
Cost	$ 183,539	$ 155,443	$ 93,349	$ 62,786	$ -	$ 495,117
Accumulated depreciation and impairment	-	(70,084)	(40,165)	(26,264)	-	(136,513)
	$ 183,539	$ 85,359	$ 53,184	$ 36,522	$ -	$ 358,604

1. The above property, plant and equipment are assets for self-use requirement.
2. The Company's property, plant and equipment are not pledged as collaterals for loans.

(VII) Leasing arrangements-lessee

1. The Company holds buildings for rental with contracts made for period of 1-5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions, the lease agreements do not impose covenants.
2. The lease term of part of the Company's buildings is no more than 12 months.
3. The carrying amount of right-of-use assets and the amount of depreciation expense recognized are as follows:

	2024/12/31	2023/12/31
	Carrying amount	Carrying amount
Buildings	$ 58,830	$ 40,370

	For the years ended December 31,	
	2024	2023
	Depreciation expense	Depreciation expense
Buildings	$ 34,050	$ 29,582

4. For the years ended December 31, 2024 and 2023 to the acquisitions of right-of-use assets were $52,510 and $14,979 respectively.
5. The information on income and expense accounts relating to lease contracts is as follows:

	For the years ended December 31,	
	2024	2023
Items affecting profit or loss		
Interest expenses on lease liabilities	$ 2,074	$ 1,268
Expenses on short-term lease contracts	1,888	2,548
Gain on lease modification	554	25

6. For the years ended December 31, 2024 and 2023, the Company's total cash outflow for leases was $37,436 and $33,126, respectively.

(VIII) Investment property

	2024		
	Land	Buildings	Total
January 1			
Cost	$ 128,073	$ 30,676	$ 158,749
Accumulated depreciation and impairment	-	(4,690)	(4,690)
	$ 128,073	$ 25,986	$ 154,059
January 1	$ 128,073	$ 25,986	$ 154,059
Depreciation expense	-	(961)	(961)
December 31	$ 128,073	$ 25,025	$ 153,098
December 31			
Cost	$ 128,073	$ 30,676	$ 158,749
Accumulated depreciation and impairment	-	(5,651)	(5,651)
	$ 128,073	$ 25,025	$ 153,098

	2023		
	Land	Buildings	Total
January 1			
Cost	$ 128,073	$ 74,282	$ 202,355
Accumulated depreciation and impairment	-	(23,190)	(23,190)
	$ 128,073	$ 51,092	$ 179,165
January 1	$ 128,073	$ 51,092	$ 179,165
Reclassification	-	(24,145)	(24,145)
Depreciation expense	-	(961)	(961)
December 31	$ 128,073	$ 25,986	$ 154,059
December 31			
Cost	$ 128,073	$ 30,676	$ 158,749
Accumulated depreciation and impairment	-	(4,690)	(4,690)
	$ 128,073	$ 25,986	$ 154,059

1. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	2024	2023
Rental income from investment property	$ 5,348	$ 5,347
Direct operating expenses arising from the investment property that generated rental income during the period	$ 961	$ 961

2. The fair value of the investment property held by the Group as at December 31, 2024 and 2023 was $195,878 and $296,941, respectively, which was valued by the transaction price in the vicinity.

(IX) Other Payables

	2024/12/31	2023/12/31
Accrued payroll, employee's compensation and bonuses	$ 268,419	$ 290,767
Accrued technical service fee (Note)	43,695	37,691
Others	120,246	114,752
	$ 432,360	$ 443,210

Note: Please refer to Note 7 (3) 6.

(X) Pension

1. (1) The Company have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 5% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution for the deficit by next March.

   (2)A small portion of the Company's foreign employees are covered by the pension scheme under the Labor Standards Act. In accordance with regulations, the Company accrues 2% of total salaries paid each month as pension reserves, which are deposited into a dedicated account under the supervision of the committee for management and disbursement. For the year 2024, the Company recognized pension costs of $2 under this scheme.

2. Since July 1, 2005, the Company has established certain retirement payout methods applicable for domestic employees in accordance with the "Labor Pension Act". The Company would 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. Pension costs recognized by the Company in accordance with the above retirement policy for were $23,188, and $22,040 for the years ended December 31, 2024 and 2023, respectively.

(XI) Share-based Payment

1. The Company had the following share-based payment arrangement active for the years ended December 31, 2024 and 2023.

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 arrangement are for equity-settled-share-based payments.

2. Details of the aforementioned share-based payment arrangement:

	For the years ended December 31,					
	2024			2023		
	No. of units (shares in thousands)		Weighted average exercise price (in dollars)	No. of units (shares in thousands)		Weighted average exercise price (in dollars)
Options outstanding at beginning of period	1,218	$	60.7	1,877	$	63.1
Options exercised	(1,023)		59.5	(659)		62.3
Options waived	(195)		-	-		-
Options outstanding at the end of period	-		-	1,218		60.7
Options exercisable at the end of period	-		-	1,218		-

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

			2024/12/31		
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	1,218	$	60.7

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

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	2019.11.26	3,000	$ 72.3	$ 72.3	26.88%	3.875 years	0.58%	$ 15.7445

5. Expenses of share-based payment transaction:

	For the years ended December 31,			
	2024		2023	
Equity settlement	$	-	$	2,246

(XII) Share capital

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

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

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

2. On April 30, 2019, the Company passed the issuance of employee stock options (ESOs) by resolution of the board of directors, which was amended on November 12, 2019 by resolution of the board of directors. A total of 3,000 ESOs were issued, and each ESO granted the right to buy 1,000 shares. A total of 3,000 thousand new common shares were issued for exercising the ESOs, of which the exercise price per share are set in accordance with relevant regulations.
3. As of December 31, 2024, the Company's associate - IBASE owned 43,773 thousand of AAEON's shares.
4. The Company has increased its capital by issuing 10,523 thousand common shares in exchange for 26,308 thousand common shares held by 11 shareholders of JETWAY in April, 2023. The project mentioned above has reported to TWSE and took effect, which completed registration in May, 2023.
5. On May 29, 2024, the company resolved in its shareholders' meeting to allocate $80,204 from the capital surplus generated from issuing shares at a premium over par value to increase capital. This will be used to issue 8,021 thousands new shares, each with a par value of NT$10. The plan to increase capital by transferring the capital surplus was approved by the Securities and Futures Bureau of the Financial Supervisory Commission on July 3, 2024, the change has been registered with the relevant authorities in September, 2024.
6. On May 29, 2024, the company resolved in its shareholders' meeting to issue employee stock warrants, totaling 3,000 units. Each unit of the stock warrant entitles the holder to subscribe for 1,000 shares. The total number of new common shares to be issued due to the exercise of stock warrants is 3,000,000 shares, with a subscription price of NT$100 per share. As of December 27, 2025, the issuance has not yet taken place.

(XIII) 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.

	2024						
	Share premium	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Recognition of changes in ownership interest in subsidiary	Affiliate company net equity changes	Employee Share option	Others	Total
January 1	$ 5,697,133	$ 233,002	$ 240,006	$ 229,110	$ 20,042	$ 2,409	$ 6,421,702
Stock dividends	(80,204)						(80,204)
Changes in ownership interest in subsidiary	-	-	(1,312)	-	-	-	(1,312)
Employee stock options exercised	66,722	-	3,597	-	(16,107)	-	54,212
Change in associates and joint ventures accounted for under equity method	-	-	-	17,085	-	-	17,085
Share-based Payment	-	-	747	-	(3,935)	3,935	747
December 31	$ 5,683,651	$ 233,002	$ 243,038	$ 246,195	$ -	$ 6,344	$ 6,412,230

	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
Changes in ownership interest in subsidiary	-	-	(3,935)	-	-	-	(3,935)
Employee stock options exercised	44,819	-	12,516	-	(10,376)	-	46,959
Effect from long-term investment that has not been recognized based on shareholding percentage	-	-	-	162	-	-	162
Change in associates and joint ventures accounted for under equity method	-	-	-	64,235	-	-	64,235
Issuance of new shares in exchange for other company's shares	848,183	-	-	-	-	-	848,183
Share-based Payment	-	-	1,748	-	2,980	-	4,728
December 31	$ 5,697,133	$ 233,002	$ 240,006	$ 229,110	$ 20,042	$ 2,409	$ 6,421,702

(XIV) Retained earnings

1. Under the Company's Article of Incorporation, the profit in a fiscal year, shall first be utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings at the beginning of the period shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.
2. 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. At least 50% of distributable profits shall be allocated as dividends to shareholders, with cash dividends not less than 50% of the total amount of dividends. The actual amount distributed shall be determined by 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 in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

5. The company resolved in its shareholders' meetings on May 29, 2024, and May 31, 2023, to approve the distribution of earnings for the fiscal years 2023 and 2022 as follows:

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

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

6. The 2024 surplus distributions approved by the resolutions of the board of directors of the Company on February 27 2025 are as follows:

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

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

(XV) Operating income

	For the years ended December 31,	
	2024	2023
Revenue from contracts with customers	$ 3,918,896	$ 4,664,543

1. Disaggregation of revenue from contracts with customers

The Company'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:

IPC		2024		2023
Revenue from Contracts with Customers	$	3,918,896	$	4,664,543
Time of income recognition				
At a point time		3,916,334		4,662,542
Over time		2,562		2,001
Total	$	3,918,896	$	4,664,543

2. Contract liability

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

		2024/12/31		2023/12/31
Contract Liability - Current:				
Advances from customers	$	94,457	$	51,832
Warranty contract		2,603		2,639
Contract Liability - Non-current:				
Warranty contract		6,626		5,384
Total	$	103,686	$	59,855

(2) Recognized income of contract liabilities at January 1

	For the years ended December 31,			
		2024		2023
Beginning balance of contract liabilities Recognized income				
Advances from customers	$	30,495	$	88,658
Warranty contract		2,562		2,001
Total	$	33,057	$	90,659

(XVI) Interest income

	For the years ended December 31,			
		2024		2023
Deposit interest income	$	108,232	$	57,225

(XVII) Other income

	For the years ended December 31,			
		2024		2023
Rental income	$	10,575	$	8,799
Dividend income		8,516		10,982
Total	$	19,091	$	19,781

(XVIII) Other gains and losses

	For the years ended December 31,	
	2024	2023
Net loss from financial assets and liabilities at fair value through profit or loss	$ 209,383	$ 106,519
Net foreign exchange gains (losses)	164,753	(9,117)
Loss on disposal of property, plant and equipment	-	(892)
Depreciation of investment property, buildings.	(961)	(961)
Indemnity of damage	-	(5,355)
Gain on disposals of investment	-	118
Government subsidy	-	-
Gain on lease modification	554	25
Other income	31,684	14,964
Total	$ 405,413	$ 105,301

(XIX) Financial costs

	For the years ended December 31,	
	2024	2023
Lease liability-interest expenses	$ 2,074	$ 1,268
Imputed interest of rent deposit	19	15
Total	$ 2,093	$ 1,283

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

In 2024 and 2023, the employee benefits expense, depreciation expense and amortization expenses incurred by the Company based on their functions are summarized as follows:

	For the years ended December 31,					
	2024			2023		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits expense	$ 197,210	$ 475,006	$ 672,216	$ 213,596	$ 486,524	$ 700,120
Depreciation expense	30,541	35,714	66,255	28,459	28,385	56,844
Amortization expenses	769	10,055	10,824	71	7,709	7,780

(XXI) Employee benefits expenses

	For the years ended December 31,	
	2024	2023
Salaries and wages	$ 584,272	$ 616,185
Labor and health insurance	45,940	45,039
Pension costs	23,190	22,040
Director’s remuneration	12,192	9,372
Other personnel expenses	6,622	7,484
	$ 672,216	$ 700,120

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

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

   Information about employees’ compensation and directors’ remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the “Market Observation Post System” at the website of the Taiwan Stock Exchange.
3. As of December 31, 2024, and 2022, the Company had 550 and 544 employees excluding 9 directors, respectively.
4. The Company's shares have been listed on the TWSE, with additional disclosure of the following information:
   (1) The Company’s average employee benefits expenses for the years ended December 31, 2024 and 2023 were $1,220 and $1,291, respectively.
   (2) The Company’s average employee salaries and wages for the year of 2023 and 2022 were $1,080 and $1,152 respectively.
   (3) The change in the average employee salaries and wages adjustment is -6.25%.
   (4) The information for remuneration of supervisors is not available since the Company has established the Audit Committee.
5. Remuneration policy of the Company
   (1) The external competitiveness and internal fairness are material consideration for the level of remuneration of employees, and designed to attract and retain talented personnel.
   (2) The structure of the remuneration would aligned with performance management system to enhance employee’s work motivation and contributed to the growth of business.
   (3) For the purpose of encouraging employees, the policy is designed to aligned with the achievement of employee’s long and short-term objectives, the work time, their

position as well as the employee’s overall performance.

(4) The company has established the Compensation Committee to achieve effective measurement for the overall remuneration of directors and managers.

(XXII) Income tax

1. Income tax expense

(1) Components of income tax expense:

	For the years ended December 31,	
	2024	2023
Current income tax:		
Current tax on profits for the year	$ 113,230	$ 137,979
tax on undistributed surplus	-	13,668
Adjustments in respect of prior period	(9,961)	(177)
Total current income tax	103,269	151,470
Deferred tax		
Origination and reversal of temporary differences	32,323	17,509
income tax expense	$ 135,592	$ 168,979

(2) Income tax relative to other comprehensive income:

	For the years ended December 31,	
	2024	2023
Currency translation differences	$ 6,642	$ 15
Remeasurement of defined benefit obligations	(2)	-
	6,640	$ 15

2. Reconciliation between income tax expense and accounting profit

	For the years ended December 31,	
	2024	2023
Income tax calculated by based on profit before tax and statutory tax rate	$ 220,494	$ 227,665
Tax exempt income by tax regulation	(1,703)	(2,196)
Tax exempt of unrealized valuation gains on financial assets	(41,812)	(21,360)
Income exempt of net investment income	(40,924)	(57,398)
Temporary differences unrecognized as deferred tax assets	9,498	8,777
Prior year income tax overestimation	(9,961)	(177)
Income tax on undistributed earnings	-	13,668
Income tax expense	$ 135,592	$ 168,979

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

	2024			
	January 1	Recognized in income	Recognized in other comprehensive income	December 31
Temporary differences:				
Deferred income tax assets:				
Unrealized provisions for warranty	$ 6,638	($ 1,064)	$ -	$ 5,574
Unrealized gross margin	10,786	(1,462)	-	9,324
Decline in value of inventories	14,382	(5,183)	-	9,199
Others	11,659	5,773	2	5,888
Subtotal	$ 43,465	($ 13,482)	$ 2	$ 29,985
Deferred tax liabilities:				
Unappropriated earnings of subsidiaries	($ 69,065)	$ 4,217	$ -	($ 64,848)
Exchange differences on translation of the financial statements of foreign operations	($ 2,124)	$ -	(15)	(8,766)
Unrealized Exchange Gain	-	(23,058)		(23,058)
Subtotal	($ 71,189)	($ 18,841)	($ 6,642)	($ 96,672)
Total	($ 27,724)	($ 32,323)	($ 6,640)	($ 66,687)

	2023			
	January 1	Recognized in income	Recognized in other comprehensive income	December 31
Temporary differences:				
Deferred income tax assets:				
Unrealized provisions for warranty	$ 7,209	($ 571)	$ -	$ 6,638
Unrealized gross margin	13,601	(2,815)	-	10,786
Decline in value of inventories	16,781	(2,399)	-	14,382
Others	10,065	1,594	-	11,659
Subtotal	$ 47,656	($ 4,191)	$ -	$ 43,465
Deferred tax liabilities:				
Unappropriated earnings of subsidiaries	($ 55,747)	($ 13,318)	$ -	($ 69,065)
Exchange differences on translation of the financial statements of foreign operations	(2,109)	-	(15)	(2,124)
Subtotal	($ 57,856)	($ 13,318)	($ 15)	($ 71,189)
Total	($ 10,200)	($ 17,509)	($ 15)	($ 27,724)

4. The Tax Authority has examined the Company's income tax returns through 2022.

(XXIII) Earnings per share

	2024		
	After-tax amount	Weighted average number of ordinary shares outstanding (in thousand)	Earnings per share (in dollars)
Basic earnings per share:			
Net income	$ 966,877	125,272	$ 7.72
Diluted earnings per share:			
Effect of dilutive potential ordinary shares:			
Employees' bonuses		795	
Diluted earnings per share:			
The effect of net profit plus potential ordinary shares	$ 966,877	126,067	$ 7.67

	2023		
	After-tax amount	Weighted average number of ordinary shares outstanding (in thousand)	Earnings per share (in dollars)
Basic earnings per share:			
Net income	$ 969,345	120,786	$ 8.03
Diluted earnings per share:			
Effect of dilutive potential ordinary shares:		677	
Employees' bonuses		905	
Diluted earnings per share:			
The effect of net profit plus potential ordinary shares	$ 969,345	122,368	$ 7.92

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

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

(XXIV) Supplemental cash flow information

Partial cash payments for investing activities:

	For the years ended December 31, 2024	2023
Acquisition of property, plant and equipment	$ 29,607	$ 35,579
Add: Opening balance of payable on equipment	1,849	4,322
Less: Ending balance of payable on equipment	(423)	(1,849)
Cash paid during the period	$ 31,033	$ 38,052

(XXV) Change of liabilities from financing activities

	For the years ended December 31,	
	2024	2023
	Lease liability	Lease liability
January 1	$ 41,620	$ 58,030
Change of cash flow from financing activities	(33,474)	(29,310)
Change of non-cash flow	51,958	12,900
December 31	$ 60,104	$ 41,620

VII. Related party transaction

(I) Parent and ultimate controlling party

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

(II) Names of related parties and relationship

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.
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
ATECH OEM INC.	Other related party - the Company's Chairman as a director
MACHVISION 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
FU YANG INVESTMENT INC.	Other related party - the Company's Chairman is spouse of FU YANG INVESTMENT INC.'s Chairman
EVERFOCUS ELECTRONICS CORP.	Other related party - the Company's Chairman as EVERFOCUS ELECTRONICS CORP's Chairman
YAN XIN INVESTMENT Co., Ltd.	Other related party - the Company's Chairman as YAN XIN INVESTMENT Co., Ltd.'s Chairman
AAEON EDUCATION FOUNDATION	Other related party - the Company's Chairman as a director
ASUS TECHNOLOGY INC.	Fellow subsidiary — same as ultimate parent entity
Medus Technology Inc	Fellow subsidiary — same as ultimate parent entity
AAEON ELECTRONICS, INC,	Subsidiary company of the Company

Name of related party	Relation
AAEON TECHNOLOGY (EUROPE) B.V.	Subsidiary company of the Company
AAEON TECHNOLOGY SINGAPORE PTE. LTD.	Subsidiary company of the Company
AAEON TECHNOLOGY (SUZHOU) INC.	Subsidiary company of the Company
ONYX HEALTHCARE USA, INC.	Subsidiary company of the Company
ONYX HEALTHCARE INC.	Subsidiary company of the Company
AAEON INVESTMENT, CO., LTD.	Subsidiary company of the Company
JETWAY INFORMATION CO., LTD.	Subsidiary company of the Company
WT MICROELECTRONICS CO.	Other related party - Investee accounted for under the equity method by the Company’s Fellow subsidiary
TECHMOSA INTERNATIONAL INC.	Other related party - Investee accounted for under the equity method by the Company’s Fellow subsidiary
MORRIHAN INTERNATIONAL CORP.	Other related party - Investee accounted for under the equity method by the Company’s Fellow subsidiary
NUVISION TECHNOLOGY, INC.	Other related party - Investee accounted for under the equity method by the Company’s Fellow subsidiary
MAXTEK TECHNOLOGY CO., LTD.	Other related party - Investee accounted for under the equity method by the Company’s Fellow subsidiary
FUTURE ELECTRONICS INC. (Distribution) Pte Ltd	Other related party - Investee accounted for under the equity method by the Company’s Fellow subsidiay
SPARK TECHNOLOGIES INC.	Other related party - the Company’s Chairman is spouse of SPARK TECHNOLOGIES INC.’s Chairman
LYDS TECHNOLOGIES INC.	Other related party - the Company’s Chairman is spouse of LYDS TECHNOLOGIES INC.’s Chairman
JUI HAI INVESTMENT Co., Ltd.	Other related party - the Company’s Chairman is spouse of relative of JUI HAI INVESTMENT Co., Ltd.’s Chairman

(III) Significant transactions with related parties

1. Operating income

	For the years ended December 31, 2024	For the years ended December 31, 2023
Sales of products		
Ultimate parent entity	$ 763	$ 11,144
Subsidiary		
AAEON TECHNOLOGY (EUROPE) B.V.	1,343,664	1,592,948
AAEON ELECTRONICS, INC.	722,067	976,754
AAEON TECHNOLOGY (SUZHOU) INC.	175,869	190,895
Others	141,652	164,575
Associates	3,435	819
Other related party	36,431	48,871
Total	$ 2,423,881	$ 2,986,006

The sales prices of transactions with related parties were decided on the basis of the economic environment and market competition in each sales area. The terms of the transactions are due 30 to 90 days after the date of delivery. The terms of the above transactions are similar to those for third parties.

2. Purchases

	For the years ended December 31, 2024	For the years ended December 31, 2023
Goods purchased:		
Ultimate parent entity	$ 766,883	$ 661,080
Subsidiary	1,466	300
Associates	28,714	31,305
Fellow subsidiary	2	380
Other related party	91,279	106,727
Total	$ 888,344	$ 799,792

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

3. Operating expenses

	For the years ended December 31, 2024	For the years ended December 31, 2023
Ultimate parent entity	$ 80,111	$ 76,456
Subsidiary	1,075	712
Associates	2,259	2,452
Fellow subsidiary	46	21
Other related party	5,984	7,177
Total	$ 89,475	$ 86,818

(1) The above operating expenses between the Company and related parties are mainly technical service fees for R & D activities.

(2) The above operating expenses include the amount donated by the Company to other related parties. The donation amount for 2024 and 2023 fiscal years is $2,500 and $2,000 each, aimed at promoting technology education and humanistic development, fulfilling corporate social responsibility, and enhancing the corporate image in public welfare.

4. Other income, other gains and losses

	For the years ended December 31,	
	2024	2023
Subsidiary		
ONYX HEALTHCARE INC.	$ 4,221	$ 2,695
Others	5,013	3,250
Associates	2,479	2,380
Other related party	9,528	11,065
Total	$ 21,241	$ 19,390

The other income, other gains and loses above is mainly from the remuneration of directors and supervisors, system maintenance, dividend income, rental income and service income.

5. Receivables from related parties

	2024/12/31	2023/12/31
Accounts receivable:		
Ultimate parent entity	$ -	$ 90
Subsidiary		
AAEON TECHNOLOGY (EUROPE) B.V.	261,251	230,016
AAEON ELECTRONICS, INC.	56,485	116,493
AAEON TECHNOLOGY (SUZHOU) INC.	30,742	28,397
AAEON TECHNOLOGY SINGAPORE PTE.LTD.	19,481	18,839
Others	7,703	1,072
Associates	91	173
Other related party	270	35,787
Total	$ 376,023	$ 430,867

	2024/12/31	2023/12/31
Other receivables:		
Subsidiary		
AAEON TECHNOLOGY (SUZHOU) INC.	1,341	171
Others	432	133
Associates	260	210
Other related party	261	-
Total	$ 2,294	$ 514

6. Payables from related parties

	2024/12/31	2023/12/31
Accounts Payable		
Ultimate parent entity	$ 58,151	$ 52,099
Subsidiary	130	13
Associate	3,071	4,683
Other related party	9,960	8,559
Total	$ 71,312	$ 65,354
Other Payables		
Ultimate parent entity	$ 43,695	$ 37,691
Subsidiary	2,133	1,140
Associate	209	19
Fellow subsidiary	15	-
Other related party	-	128
Total	$ 46,052	$ 38,978

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

7. Guarantee deposits

	2024/12/31	2023/12/31
Other related party	$ -	$ 154

The security deposit for lease.

9. Transaction of property

(1) The acquision of property, plant and equipment

	2024	2023
Other related party	$ -	$ 335

(2) The acquisition of intangible assets.

	2024	2023
Fellow subsidiary		
MEDUS TECHNOLOGY INC.	$ 2,992	$ 2,674

10. Transaction of financial assets

In April 2022, the Company participated in the cash capital increase of the subsidiary－ONYX HEALTHCARE INC.(recognized as investments accounted for under equity method), by investing $99,009 and acquiring 1,125 thousand shares.

(IV) Key management remuneration

	2024	2023
Salaries and other short-term employee benefits	$ 60,681	$ 73,499
Post-employment benefits	1,288	1,206
Share-based Payment	-	1,413
Total	$ 61,969	$ 76,118

VIII. Pledged Assets

None.

IX. Material Contingent Liabilities and Unrecognized Contractual Commitments

(I) Contingencies

None.

(II) Commitments

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

X. Losses Due to Major Disasters

None.

XI. Material Subsequent Events

For the 2024 surplus distribution proposed by the board of directors in February 27, 2025, please refer to Note 6 (14) 6.

XII. Others Matters

(I) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(II) Financial instrument

1. Type of financial instrument

	2024/12/31	2023/12/31
Financial asset		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 527,243	$ 317,800
Financial assets measured at amortized cost/ loans and receivables		
Cash and cash equivalents	3,017,545	2,678,019
Notes receivable	-	663
Accounts receivable	542,026	605,026
Other receivables	18,200	11,163
Guarantee deposits (including other non-current assets)	5,587	5,609
	$ 4,110,601	$ 3,618,280
Financial liability		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	$ 391	$ -
Financial liabilities measured at amortized cost		
Notes payable	-	2
Accounts payable (related parties included)	292,310	253,658
Other payables	432,360	443,210
	$ 725,061	$ 696,870
Lease liabilities (including current and non-current)	$ 60,104	$ 41,620

2. Risk management policy

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

The Company’s control and management strategies are as follows:

(1) The Company’s daily operations are subject to various financial risks, including market risk (such as foreign exchange risk, interest rate risk, and price risk), credit risk, and liquidity risk. To mitigate the adverse effects of uncertainty on the Company’s financial performance, the Company enters into forward foreign exchange contracts to hedge against exchange rate risk. The derivative instruments used by the Company are for hedging purposes only and are not intended for trading or speculation.

(2) The Company’s major financial plans are reviewed by the Board of Directors in accordance with relevant regulations and internal control systems. When executing financial plans, the Finance Department strictly adheres to written principles established for overall risk management. In addition, the Company has formulated written policies for specific areas and matters, such as procedures for foreign exchange risk management and financial operations with clearly defined responsibilities and authority.

(3) For information regarding the use of derivative instruments to hedge financial risks, please refer to Note 6, (2).

3. The nature and level of material financial risks

(1) Market risk

Exchange rate risk

A. The Company’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 management has set up the policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the company’s treasury. Exchange rate risk is measured through highly probable forecast transactions that involves expenditures denominated in USD and RMB. Forward foreign exchange contracts are adopted to minimize the volatility of the exchange rate affecting recognition of costs of purchasing inventories.

C. Since the Company's businesses involves certain non-functional currencies (NTD is the functional currency of the Company and part of its subsidiaries, while the functional currencies of other subsidiaries include USD, SGD, and RMB), it may be affected by exchange rate fluctuations. The foreign currency assets and liabilities that may be significantly affected by exchange rate fluctuations are as follows:

	2024/12/31		
	Foreign currency (in thousand)	Exchange rate	Carrying amount
(Foreign currency: functional currency)			
Financial asset			
Monetary items			
USD : NTD	$ 78,115	32.79	$ 2,561,391
EUR : NTD	3	34.14	102
Non-monetary items			
USD : NTD	$ 11,188	32.79	$ 366,855
EUR : NTD	2,797	34.14	95,490
Financial liability			
Monetary items			
USD : NTD	$ 8,546	32.79	$ 280,223

	2023/12/31		
	Foreign currency (in thousand)	Exchange rate	Carrying amount
(Foreign currency: functional currency)			
Financial asset			
Monetary items			
USD : NTD	$ 88,991	30.71	$ 2,732,914
EUR : NTD	2	33.98	68
Non-monetary items			
USD : NTD	$ 11,391	30.71	$ 349,818
EUR : NTD	3,187	33.98	108,294
Financial liability			
Monetary items			
USD : NTD	$ 7,374	30.71	$ 226,456
EUR : NTD	7	33.98	238

E. The overall realized and unrealized foreign exchange losses of the Company's monetary items that may be significantly affected by exchange rate fluctuations in 2024 and 2023 were $164,753 and ($9,117), respectively.

F. The Company’s foreign currency risk analysis due to significant foreign exchange rate fluctuations is as follows:

	For the year ended December 31, 2024		
	Sensitivity analysis		
	Extent of change	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial asset			
Monetary items			
USD : NTD	1%	$ 25,614	$ -
EUR : NTD	1%	1	-
Financial liability			
Monetary items			
USD : NTD	1%	$ 2,802	$ -

	For the year ended December 31, 2023		
	Sensitivity analysis		
	Extent of change	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial asset			
Monetary items			
USD : NTD	1%	$ 27,329	$ -
EUR : NTD	1%	1	-
Financial liability			
Monetary items			
USD : NTD	1%	$ 2,265	$ -
EUR : NTD	1%	2	-

Price risk

A. The Company’s equity instruments, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity instruments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

B. The Company mainly invests in equity instruments and open-end funds issued by domestic companies. The value of equity instruments is susceptible to market price risk arising from uncertainties about future performance of equity markets. Assuming a hypothetical increase or decrease of 1% in the price of the aforementioned financial assets at fair value through profit or loss while the other conditions remain unchanged could increase or decrease net income for the nine-month periods ended December 31, 2024 and 2023 by $4,918 and $2,822, respectively.

Cash flow and fair value interest rate risk

The Company has no significant interest rate exposures for debt instruments.

(2) Credit risk

A. The Company's credit risk refers to the risk that the counterparty to a financial instrument will cause a financial loss for the Company 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 Company 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 Company'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 Company adopts IFRS 9 to provide a presumption that default has occurred when contractual payments are more than 90 days past due.

D. The Company adopts IFRS 9 to provide the following presumption as basis for judging whether the credit risk on a financial instrument has increased significantly since the initial recognition:
It is deemed that credit risk after the original recognition of financial assets has increased significantly when contractual payments are more than 30 days past due.

E. The customers' accounts receivables are segmented based on customer type. A simplified loss rate approach is used for ECL measurement based on the provision matrix.

F. The Company has written off the recoverable amount of financial assets that could not reasonably be estimated after recourse, but will continue to pursue recourse to preserve its rights. As of December 31, 2024, and 2022, the Company had no recourse claims that had been written off.

G. (1) The Company considers the world economic outlook and future prospects when adjusting the loss rate that is set up based on historical and current loss period information, in order to estimate the loss of notes receivables and allowance for doubtful accounts of customers with general credit quality. The provision matrix as of December 31, 2024 and 2023 is as follows:

	Not yet due	Less than 30 days past due	30 days past due	60 days past due	90 days past due	120 days past due	Total
2024/12/31							
Expected loss rate	0.05%	0.33%	0.89%	21.05%	100%	100%	
Total book value	$ 142,280	$ 23,695	$ 140	$ 49	$ 436	$ -	$ 166,600
Loss allowance	$ 72	$ 78	$ 1	$ 10	$ 436	$ -	$ 597

	Not yet due	Less than 30 days past due	30 days past due	60 days past due	90 days past due	120 days past due	Total
2023/12/31							
Expected loss rate	0.02%	0.28%	1.45%	5.28%	17.43%	100%	
Total book value	$ 170,513	$ 3,825	$ 542	$ -	$ -	$ -	$ 174,880
Loss allowance	$ 39	$ 11	$ 8	$ -	$ -	$ -	$ 58

(2) The expected loss rate for creditworthy related parties is 0.2%. As of December 31, 2024, and December 31, 2023, the total carrying amounts of accounts receivable from related parties were $376,023 and $430,867 respectively, with no provision for losses.

H. The Company's simplified approach of notes receivable and changes in allowance for doubtful accounts are as follows:

	Notes and accounts receivable (including related parties)	
	2024	2023
January 1	$ 58	$ 53
Recognition (reverse) of impairment loss	539	5
December 31	$ 597	$ 58

From the loss recognized in 2024 and 2023, the impairment losses for accounts receivable arising from customer contracts were $539 and $5, respectively.

(3) Liquidity risk

A. Cash flow is forecasted by each of the Company’s operating entity and summarized by the finance department. The Company’s finance department monitors liquidity forecasting to ensure that it has sufficient funds to meet the operational requirements.

B. The Company’s had available borrowing limits of $396,200 as of December 31, 2024 and 2023.

C. The table below analyzes the Company's non-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:			
2024/12/31	Within1year	1-2years	2-5years
Accounts payable	$ 220,998	$ -	$ -
Accounts payable - related party	71,312	-	
Other payables	432,360	-	-
Lease liabilities	31,003	26,541	4,357
Derivative inancial liabilities			
Forward Foreign Exchange Contract	391	-	-
Non-derivative financial liabilities:			
2023/12/31	Within1year	1-2years	2-5years
Notes payable	$ 2	$ -	$ -
Accounts payable	188,304	-	
Accounts payable - related party	65,354	-	-
Other payables	443,210	-	-
Lease liabilities	18,543	12,019	11,929

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

(III) 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 identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company’s investment in listed stocks, beneficiary certificates with quoted market prices is included in Level 1.

   Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The OTC stocks and the fair value of derivative financial instruments invested by the Company is included in Level 2.

   Level 3: Inputs for the asset or liability that are not based on observable market data. This includes equity instruments of non-active markets invested by the Company.

2. Financial instruments not measured at fair value

   The carrying amounts of the Company’s cash and cash equivalents, notes receivable, accounts receivable, other receivables, guarantee deposits (classified in the balance sheet as other non-current asset), notes payable, accounts payable, other payables and lease liabilities are reasonable approximations of fair values.

3. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

4. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at 2024 and 2023 is as follows:

   (1) The related information of the nature of the assets and liabilities is as follows:

2024/12/31	1st Level	2nd Level	3rd Level	Total
Asset				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 467,358	$ 5,055	$ 19,360	$ 491,773
Beneficiary certificates	27,352	-	-	27,352
Hybrid instruments	-	-	8,118	8,118
Total	$ 494,710	$ 5,055	$ 27,478	$ 527,243
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss	$ -	$ -	$ -	$ 391

2023/12/31	1st Level	2nd Level	3rd Level	Total
Asset				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 257,873	$ 4,959	$ 19,360	$ 282,192
Beneficiary certificates	26,974	-	-	26,974
Hybrid instruments	-	-	8,634	8,634
Total	$ 284,847	$ 4,959	$ 27,994	$ 317,800

(2) The Company's approaches and assumptions for fair value measurement are as follows:

A. The Company 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
Quoted market price	Closing market prices	Net asset value

B. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.

C. The Company 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. Forward exchange 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 Company's management policies of fair value valuation model and related control procedures, its management believes that valuation adjustments are appropriate and necessary for the fair values of financial and non-financial instruments to be presented fairly in the consolidated balance sheet. The price information and parameters used in the evaluation process are carefully evaluated, with appropriate adjustments according to current market conditions.

5. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.

6. Movements on Level 3 for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
	Equity instrument	Equity instrument
January 1	$ 27,994	$ 28,547
Loss recognized in income (Note)	(516)	(553)
December 31	$ 27,478	$ 27,994
Changes in unrealized gains or losses of assets and liabilities owned at the end of the period	($ 516)	($ 553)

Note: Recognized as other gains and losses.

7. There was no transfer into or out from Level 3 for the years ended December 31, 2024 and 2023.

8. The financial segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the source of information is independent, reliable and in line with other resources and any other necessary adjustments to the fair value.

   The financial segment cooperatively set up valuation policies, valuation processes and rules for measuring fair value of financial instruments that ensure compliance with the related requirements in IFRS.

9. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	2024/12/31 Fair value	Valuation technique	Significant unobservable inputs	Interval (weighted average)	Relationship between inputs and fair value
Equity instruments:					
Unlisted and non-OTC stocks	$ 19,360	Discounted Cash Flow Approach	Note 1	Not applicable	Note 2
Hybrid instrument:					
Unlisted and non-OTC stocks	$ 40,278	Discounted Cash Flow Approach	Note 1	Not applicable	Note 2
Embedded option	($ 32,160)	Option Pricing Model	Price volatility	Not applicable	The higher the stock price volatility, the higher the fair value

	2023/12/31 Fair value	Valuation technique	Significant unobservable inputs	Interval (weighted average)	Relationship between inputs and fair value
Equity instruments:					
Unlisted and non-OTC stocks	$ 19,360	Discounted Cash Flow Approach	Note 1	Not applicable	Note 2
Hybrid instrument:					
Unlisted and non-OTC stocks	$ 59,291	Discounted Cash Flow Approach	Note 1	Not applicable	Note 2
Embedded option	($ 50,657)	Option Pricing Model	Price volatility	Not applicable	The higher the stock price volatility, the higher the fair value

Note 1: Long-term revenue growth rate, weighted average cost of capital (WACC), long-term pre-tax operating profit, lack of market liquidity discount, and minority interest discount.

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

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

XIII. Disclosures

(1) 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: Please refer to Note 6 (2).

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. Operating segment information

Not Applicable.

AAEON Technology Inc.

MARKETABLE SECURITIES HELD

(EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)

DECEMBER 31, 2024

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

Schedule 1

Holding company	Marketable securities type and name: Type	Marketable securities type and name: Name (Note 1)	Relationship with the Company	Financial Statement Account	2024/9/30: Shares	2024/9/30: Carrying value (Note2)	2024/9/30: Percentage of Ownership (%)	2024/9/30: Fair value	Remarks
AAEON Technology Inc.	Fund	Mega Diamond Money Market	None	Financial assets at fair value through profit or loss - current	2,091,070	$ 27,352	-	$ 27,252	None
"	Stock	MACHVISION, INC.	Other related party - the Company's Chairman as a director	"	1,180,198	467,358	2.03	467,358	"
"	"	Allied Biotech Co.	None	"	300,000	5,055	0.31	5,055	"
"	"	LILEE SYSTEMS Ltd.	"	Financial assets at fair value through profit or loss - non-current	468,750	-	-	-	"
"	"	TELEION WIRELESS, INC.	"	"	149,700	-	-	-	"
"	"	InSynerger Technology Co., Ltd.	"	"	1,761,300	19,360	15.05	19,360	"
"	"	V-Net AAEON Corporation Ltd.	"	"	29	8,118	14.50	8,118	Note 3
AAEON INVESTMENT, CO., LTD.	Convertible Bond	IBASE TECHNOLOGY INC.	Associate - Investee accounted for under the equity method	Financial assets at fair value through profit or loss - current	-	118,000	-	118,000	None
ONYX HEALTHCARE INC	Stock	TOP UNION ELECTRONICS CORP.	"	Financial assets at fair value through profit or loss - current	223,918	7,255	0.15	7,255	"
"	"	INNO FUND III	"	Financial assets at fair value through profit or loss - non-current	3,000,000	43,076	13.04	43,076	"
"	"	MELTEN CONNECTED HEALTHCARE INC.	"	Financial asset at fair value through other comprehensive income - non-current	4,193,548	-	6.61	-	"
"	"	TOP UNION ELECTRONICS CORP.	"	"	2,773,082	89,848	1.91	89,848	"
"	"	CREATIVE LIFE SCIENCE CO., LTD.	"	"	900,000	61,200	4.09	61,200	"
JETWAY INFORMATION CO., LTD.	Stock	Dunpin No.1 Innovative Investment Co., Ltd.	"	Financial assets at fair value through profit or loss - non-current	2,000,000	21,065	5.31	21,065	"
	"	Northeast Tech Star II Venture Capital Co., Ltd.	"	"	3,000,000	29,992	10.00	29,992	"

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

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

Note3: Hybrid contract with embedded options.

AAEON Technology Inc

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

FOR THE YEAR ENDED DECEMBER 31, 2024

Schedule 2

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

			Transaction				Reasons for difference between the related party transaction terms and the arms length terms of transaction (Note)		Accounts and notes receivable (payable)		
Company Name	Related Party	Nature of Relationship	Purchase (sales)	Amount	Percentage to total purchase (sales) (%)	Payment terms	Unit Price	Payment terms	Ending Balance	Percentage to total accounts and notes receivable or payable (%)	Note
AAEON TECHNOLOGY INC.	ASUSTEK COMPUTER INC.	Parent	Purchases	$ 766,883	32.03	month-end 30 days	$ -	-	($ 58,151)	(19.89)	
"	AAEON TECHNOLOGY (EUROPE) B.V.	Subsidiary	(Sales)	(1,343,664)	(34.29)	60 days after invoice date	-	-	261,251	48.15	
"	AAEON ELECTRONICS, INC.	"	"	(722,067)	(18.43)	"	-	-	56,485	10.41	
"	AAEON TECHNOLOGY (SUZHOU) INC.	"	"	(175,869)	(4.49)	month-end 60 days	-	-	30,742	5.67	
ONYX HEALTHCARE INC.	ONYX HEALTHCARE USA, INC.	"	"	(179,488)	(16.29)	month-end 90 days	-	-	59,188	27.37	
"	ONYX HEALTHCARE EUROPE B.V.	"	"	(143,672)	(13.04)	"	-	-	42,953	19.87	
JETWAY INFORMATION CO., LTD.	JETWAY COMPUTER CORP.	"	"	(270,748)	(21.63)	month-end 30-60 days	-	-	26,108	25.88	
FUJIAN CANDID INTERNATIONAL CO., LTD	JETWAY INFORMATION CO., LTD.	"	"	(232,300)	(18.56)	month-end 30-90 days	-	-	(26,042)	(29.82)	
JETWAY INFORMATION CO., LTD.	JETWAY COMPUTER B.V.	"	"	(106,065)	(8.47)	month-end 30-60 days	-	-	-	-	

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

AAEON Technology Inc.

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

DECEMBER 31, 2024

Schedule 3

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

Company Name	Related Party	Nature of Relationship	Ending balance (Note)	Turnover (%)	Overdue		Amounts Received in Subsequent Period	Loss allowance
					Amount	Action taken		
AAEON TECHNOLOGY INC.	AAEON TECHNOLOGY (EUROPE) B.V.	Subsidiary	$ 261,251	5.47	$ -	-	$ 192,639	$ -

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

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

FOR THE YEAR ENDED DECEMBER 31, 2024

Schedule 4

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

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

Note 1: Intercompany transactions should be indicated in the numbered columns individually. The number is filled in as follows:

(1) Parent company is numbered 0.

(2) Subsidiaries are numbered sequentially according to company name from Arabic numeral 1.

Note 2: There are three types of relationships with counterparties (Disclosure is not required for the same intercompany transactions. For example: If the parent has already disclosed the intercompany transaction, the subsidiary is not required to disclose the same transaction.

For intercompany transactions between subsidiaries, if one of the subsidiaries has already disclosed the transaction, the other subsidiary is not required to disclose the same transaction)

(1) Parent company to subsidiary

(2) Subsidiary to parent company

(3) Subsidiary to subsidiary

Note 3: The calculation of transaction amount as a percentage of consolidated net revenue or total assets: in the case of financial statement accounts, ending balance is divided by consolidated total assets; in the case of income statement accounts, cumulative amount in the period is divided by consolidated net revenue.

Note 4: There is no need to disclose transactions of no more than $100 million, and transactions shall be disclosed as assets and income.

AAEON Technology Inc.
NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
(EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2024

Schedule 5

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

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

AAEON Technology Inc.
NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
(EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2024

Schedule 5

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

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

Schedule 5 Page 2

AAEON Technology Inc
NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
(EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE NINE-MONTH PERIOD ENDED DECEMBER 31, 2024

Schedule 5

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

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

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

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

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

Schedule 6

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

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

Company Name	Ending Balance of Accumulated Investment in Mainland China	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
AAEON Technology Inc.	$ 284,911	$ 284,911	$ 7,265,080
Onyx Technology Inc.	72,127	72,127	931,655
JETWAY INFORMATION CO., LTD.	557,345	557,345	800,119

Note 1: The methods of investment are listed below, please mark the category on schedule:
(1) Investment in China companies directly.
(2) Investment in China companies through AAEON TECHNOLOGY CO., LTD in a third region.
(3) Other methods of investing in China.

Note 2: The column of investment profit or loss for the period:
(1) It should be noted if the entity was in preparation stage without profit or loss on investment.
(2) It should be noted that the basis of recognizing the profit or loss on investment includes the following:
A. Based on financial statements reviewed by an international accounting firm that is in collaboration with an accounting firm in the Republic of China.
B. Based on financial statements reviewed by auditor of the parent company in Taiwan.
C. Another basis

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

AAEON Technology Inc.

INFORMATION OF MAJOR SHAREHOLDERS

DECEMBER 31, 2024

Schedule 7

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

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

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

AAEON Technology Inc.
DETAILS OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Statement 1

Item	Summary				Amount
Reserve cash					$ 506
Petty cash					130
Bank deposit					
Demand deposit					995,057
Foreign currency demand deposit	USD	6,434,312.6	Rate	32.785	210,949
	EUR	2,089.77	Rate	34.139	71
	HKD	6,221.56	Rate	4.2227	26
Time deposits	USD	55,232,746.65	Rate	32.785	1,810,806
					$ 3,017,545

AAEON Technology Inc.

DETAILS OF FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

DECEMBER 31, 2024

(Expressed in thousands of New Taiwan Dollars)

Statement 2

Financial assets item	Summary	Shares/ units	Par value	Total amount	Interest rate (%)	Acquisition Cost	Fair Value Unit price	Fair Value Total Amount	Remarks
Listed and OTC stocks									
MACHVISION, INC.		1,180,198	$10	$ 11,802		$ 81,221	$ 396.00	$ 467,358	
Emerging stocks									
Allied Biotech Co.		300,000	$10	300		3,000	16.85	5,055	
Open-end fund									
Mega Diamond Money Market Fund		2,091,070		25,000		25,000	13.08	27,352	
Total						$ 109,221		$ 499,765	

AAEON Technology Inc.
DETAILS OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Statement 3

Clients name	Amount	
Accounts receivable		
MXC004	$	54,771
EUK086		11,449
PTW2157		10,817
PTW1632		8,521
Others (Note)		81,042
		166,600
Less : Allowance for bad debt	(	597)
	$	166,003
Accounts receivable - related party		
AAEON TECHNOLOGY (EUROPE) B.V.	$	261,251
AAEON ELECTRONICS, INC.		56,485
AAEON TECHNOLOGY (SUZHOU) INC.		30,742
AAEON TECHNOLOGY SINGAPORE PTE. LTD.		19,481
Others (Note)		8,064
	$	376,023

Note: Each individual customer balance did not exceed 5% of the account balance.

AAEON Technology Inc.
DETAILS OF INVENTORY
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Statement 4

Item	Amount: Cost	Amount: Net realizable value	Remarks
Raw material	$ 325,701	$ 414,283	Allowance for inventory valuation and obsolescence losses are from the lower of the acquisition cost or net realizable value.
Work in progress	267,556	276,894	
Finished good	107,165	164,096	
Merchandise inventory	5,571	5,589	
Inventory in transit	272	272	
	706,265	$ 721,369	
Less: Allowance for Inventory Valuation and Obsolescence Losses	(45,996)		
	$ 660,269		

AAEON Technology Inc.
CHANGE IN INVESTMENTSACCOUNTED FOR UNDER EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Statement 5

Name	January 1, 2023		Increase (Note 1)		Decrease (Note 2)		Investment gains (losses)	Other changes (Note 3)	December 31, 2024			Market price or net equity		Guarantees or Collaterals
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount			Number of shares	Ownership (%)	Amount	Price	Total	
AAEON ELECTRONICS, INC. (AEI)	490,000	$ 328,750	-	$ -	-	$ -	($ 6,507)	$ 28,921	490,000	100.00	$ 351,164	$ 714	$ 366,799	None
AAEON TECHNOLOGY SINAPORE PTE LTD. (ASG)	465,840	67,788	-	-	-	-	(469)	410	465,840	100.00	67,729	153	71,043	"
AAEON TECHNOLOGY CO., LTD (ATCL)	8,807,097	182,101	-	-	-	-	(48,027)	11,320	8,807,097	100.00	145,394	17	152,033	"
AAEON TECHNOLOGY(EUROPE)B.V.(ANI)	-	97,059	-	-	-	-	(13,570)	1,839	-	100.00	85,328	-	95,473	"
AAEON INVESTMENT, CO., LTD.	15,000,000	141,494	-	-	-	-	(1,941)	-	15,000,000	100.00	139,553	9	139,553	"
ONYX HEALTHCARE INC.	16,257,179	723,545	2,436,977	-	-	(81,233)	87,685	6,448	18,694,156	48.40	736,445	153	2,860,206	"
LITEMAX ELECTRONICS INC.	5,015,050	114,718	-	-		(16,047)	23,555	(2,478)	5,015,050	11.86	119,748	67	333,501	"
IBASE TECHNOLOGY INC.	52,921,856	3,359,992	-	-		(221,196)	51,689	61,472	52,921,856	26.70	3,251,957	74	3,900,341	"
JETWAY INFORMATION CO., LTD.	26,450,000	925,705	8,458	351	(6,612,500)	(119,030)	43,631	9,743	19,845,958	35.29	860,400	49	973,444	"
Subtotal		$ 5,941,152		$ 351		($ 437,506)	$ 136,046	$ 117,675			$ 5,757,718			

Note 1: Acquisition and issuance of new shares in exchange for other company's shares.
Note 2: The Company received cash dividends of $371,376 and refund investment capital amounted $66,130. from the investee. separately.
Note 3: Recognition and adjustment of the investee's unrealized loss of financial assets measured by fair value through other comprehensive income, cumulative translation adjustment, changes on unrealized gains, effect from long-term investment that has not been recognized based on shareholding percentage, and the effect of share-based payments.

AAEON Technology Inc.
DETAILS OF ACCOUNTS PAYABLE-NON-RELATED PARTIES
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Statement 6

Customer name	Amount
A	$ 50,551
B	13,426
Others (Note)	157,021
Total	$ 220,998

Note: Each individual supplier balance did not exceed 5% of the accounts payable balance.

AAEON Technology Inc.
OPERATING COST
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Statement 7

Item	Amount
Merchandise inventory	
Inventory at January 1	$ 6,923
Add: Purchases	42,751
Raw materials and work in progress transitioned into sales	122,487
Less: Inventory at December 31	(5,571)
Merchandise transitioned into work in progress	(8,546)
Merchandise transitioned into fees and others	(1,380)
Cost of merchandise purchased and sold	156,664
Direct materials	
Raw material at January 1 (including materials and supplies in transit)	458,719
Add: Materials purchased	1,325,688
Less: Raw materials at December 31	(325,973)
Raw materials transitioned into merchandise inventory	(83,769)
Raw materials transitioned into fees and others	(13,429)
Raw materials used	1,398,236
Direct labor	67,762
Production overheads	182,854
Manufacturing costs	1,648,852
Work in progress at January 1	284,201
Add: Work in progress purchased	240,800
Merchandise transitions	8,546
Less: Work in progress at December 31	(267,556)
Work in progress transitioned into merchandise inventory	(38,718)
Work in progress transitioned into fees and others	(34,596)
Cost of finished goods	1,841,529
Finished goods at January 1	125,978
Add: Finished goods purchased	728,841
Less: Finished goods at December 31	(107,165)
Cost of self-manufactured goods sold	2,589,183
Cost of conversion and other operating costs	30,859
Cost of inventory sold	2,776,706
Loss on inventory valuation and obsolescence	(10,424)
Others	(19)
Cost of sales	$ 2,766,263

AAEON Technology Inc.
MANUFACTURING OVERHEAD
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Statement 8

Item	Amount	Remarks
Indirect labor	$ 93,870	
Depreciation expense	30,541	
Insurance premium	16,185	
Others	42,258	Note: Each of the account did not exceed 5% of the total manufacturing overhead.
	$ 182,854	

AAEON Technology Inc.
SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Statement 9

Item	Amount	Remarks
Salaries and wages expenditure	$ 69,244	
Insurance expense	5,444	
Others	28,032	Note: Each of the account did not exceed 5% of the total account balance.
	$ 102,720	

AAEON Technology Inc.
GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Statement 10

Item	Amount	Remarks
Salaries and wages expenditure	$ 83,771	
Depreciation expense	13,043	
Others	418993	Each of the account did not exceed 5% of the total account balance.
	$ 137,713	

AAEON Technology Inc.
RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan Dollars)

Statement 11

Item	Amount	Remarks
Salaries and wages expenditure	$ 272,365	
Technical service fees	77,609	
Research expenses	43,380	Each of the account did not exceed 5% of the total account balance.
Others	89,833	
	$ 483,187	