AAEON Technology Inc and Subsidiaries Consolidated Financial Statements With Independent Auditor's Review Report Thereon June 30, 2024 and 2023 (Stock Code: 6579)

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

# AAEON Technology Inc. and Subsidiaries

# Consolidated Financial Statements

# With Independent Auditor's Review Report Thereon June 30, 2024 and 2023

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### INDEPENDENT AUDITORS' REPORT

(2024) Tsai-Shen-Bao-Tzi No.24001166

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

# Introduction

We have reviewed the accompanying consolidated balance sheets of AAEON Technology Inc. and its subsidiaries (the "Group") as of June 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three-month periods ended June 30, 2024 and 2023, and for the six-month periods ended June 30, 2024 and 2023, as well as the consolidated statement of changes in equity and cash flows for the six-month periods ended June 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. It is the responsibility of the management to prepare and ensure fair presentation of these consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers, international financial reporting standards approved by the Financial Supervisory Commission, and IAS 34 - "Interim Financial Reporting". Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

# **Scope of Review**

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

# **Basis for qualified conclusion**

As mentioned in Note 4(3) and Note 6(6), the accompanying consolidated financial statements, included certain nonsignificant consolidated subsidiaries and investments accounted for under equity method, were consolidated using non-auditor reviewed financial statements for the corresponding period, which the sum of assets represented by such subsidiaries totaled \$784,574 thousand and \$738,074 thousand as of June 30, 2024 and 2023, and accounted for 5.01% and 5.00% of consolidated total assets, respectively; they also represented \$108,204 thousand and \$152,779 thousand of total liabilities, which accounted for 2.81% and 4.77% of consolidated total liabilities, respectively, and total comprehensive income (loss) amounting to 3,048 thousand, (\$13,374) thousand, 762 thousand, and (\$8,191) thousand, constituting 0.97%, (3.50%), 0.09% and (1.07%) of consoliated total comprehensive income (loss) for the three-month periods ended June 30, 2024 and 2023, respectively. As for investments accounted for using the equity method, the balance as of June 30, 2024 and 2023 were \$32,033 and

32,747 thousands, which accounted for 0.20% and 0.22% of the total consolidated assets. The share of profit or loss from associated companies accounted for using the equity method and the share of other comprehensive income amounted to (1,152) thousand, (1,323) thousand, (2,652) thousand and (2,109) thousand, constituting (0.37%), (0.35%),(0.30%) and (0.28%) for the three-month periods ended June 30, 2024 and 2023 and for the six-month periods ended June 30, 2024 and 2023, respectively. These amounts and the related information disclosed in the accompanying consolidated financial statements were based on the unreviewed financial statements of consolidated subsidiaries and investments accounted for under equity method.

# **Qualified conclusion**

Based on our reviews and the reports of other independent auditors (please refer to other matter), except for the adjustments to the consolidated financial statements, if any, as might have been determined to be necessary had the financial statements of certain non-significant consolidated subsidiaries and investments accounted for under equity method been reviewed by independent auditors, that we might have become aware of had it not been for the situation described above, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2024 and 2023, and of its consolidated financial performance for the three months ended June 30, 2024 and 2023, and for the six months ended June 30, 2024 and 2023 and its consolidated cash flows for the six months ended June 30, 2024 and 2023 and its consolidated cash flows for the six months ended June 30, 2024 and 2023 the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, Interim Financial Reporting that came into effect as endorsed by the Financial Supervisory Commission.

### Other matter – Reference to the reviews of other independent auditors

We did not review the financial statements of certain investments accounted for under equity method. Those financial statements were reviewed by other independent auditors whose reports thereon have been furnished to us and our conclusion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and information disclosed relative to these investments, is based solely on the reports of other independent auditors. These investments accounted for under equity method amounted to \$4,186,816 thousand and \$4,253,668 thousand as of June 30, 2024 and 2023, which accounted for 26.72% and 28.84% of consolidated total assets on the respective dates; total comprehensive income recognized from the above companies amounted to \$63,030 thousand, \$76,636 thousand, \$145,498 thousand and \$177,188 thousand, constituting 20.03%, 20.04%, 16.59% and 23.23% of consolidated comprehensive income for the three-month periods ended June 30, 2024 and 2023, and for the six-month periods ended June 30, 2024 and 2023, respectively.

PwC Taiwan

Certified Public Accountant

Chang, Shu-Chiung

Lin, Chun-Yao

(Formerly known as) Financial Supervisory Commission. The Ministry of Finance Approval reference: Jin-Guan-Zheng-Shen No. 0990042602 (Formerly known as) Securities and Futures Commission, The Ministry of Finance Approval reference: (1996) Tai-Tsai-Cheng (VI) No. 68702

August 6, 2024

### Notes to Readers

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

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

# AAEON Technology Inc. and Subsidiaries <u>Consolidated Balance Sheets</u> <u>June 30, 2024</u>, December 31, 2023 and June 30, 2023 (The consolidated balance sheets as of June 30, 2024 and 2023, were reviewed, not audited) (Expressed in thousands of New Talwan Dollars)

			-	June 30, 2024		1	December 31, 2	023		June 30, 2023	ł
	Assets	Notes		Amount	%		Amount	<u>%</u>	_	Amount	_%
	Current asset										
1100	Cash and cash equivalents	6. (1)	\$	5,196,915	33	\$	4,347,976	30	\$	3,987,645	27
1110 1136	Financial asset at fair value through profit or loss - current Financial assets measured at	6. (2) 8		629,264	4		423,284	3		439,420	3
1150	amortized cost-current	0		183,020	1		62,331	1		68,740	-
1150	Net notes receivable	6. (4)		18,833	-		13,400	-		13,502	-
1170	Net accounts receivable	6. (4), 7		910,088	6		919,566	6		1,055,613	7
1200	Other receivables	7		86,209	-		17,377	-		76,931	1
1220	Current tax assets			16,000	-		2,084	-		9,558	-
130X	Inventories	6. (5)		1,346,352	9		1,491,105	10		1,842,823	13
1410	Prepayments			94,559	1		105,134	1		114,829	1
1479	Other current assets - other	8		5,134			4,747	-		4,879	-
11XX	Total current assets			8,486,374	54		7,387,004	51		7,613,940	52
	Non-current assets										
1510	Financial asset at fair value	6. (2)									
	through profit or loss -										
	non-current			70,769	1		62,631	-		59,426	-
1517	Financial asset at fair value	6. (3)									
	through other comprehensive			145 110	1					2 201	
	income - non-current			145,118	1		68,756	1		2,381	-
1550	Investments accounted for under equity method	6. (6)		4,218,849	27		4,138,921	29		4,286,415	29
1600		( (7) 7 9						11			
	Property, plant and equipment	6. (7),7 , 8		1,366,405	9		1,519,684			1,538,949	11
1755	Right-of-use assets	6. (8)		226,113	1		186,616	1		194,824	1
1760	Investment property	6. (9), 8		346,573	2		191,792	1		194,473	1
1780	Intangible assets	6. (10), 7		667,524	4		700,153	5		734,397	5
1840	Deferred tax assets			78,456	1		88,741	1		98,818	1
1900	Other non-current assets	8		62,792			33,360			24,122	
15XX	Total non-current assets			7,182,599	46		6,990,654	49		7,133,805	48
1XXX	Total assets		\$	15,668,973	100	\$	14,377,658	100	\$	14,747,745	100
									-		

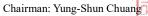
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<u>Consolidated Balance Sheets</u> <u>June 30,2024</u> December 31,2023 and June 30, 2023 (The consolidated balance sheets as of June 30, 2024 and 2023, were reviewed, not audited) (Expressed in thousands of New Taiwan Dollars)

		Short Short	WATE LAND				1	~~~		
	Liabilities and equity	Notes		June 30, 2024 Amount	%		ember 31, 20 mount	023 %	June 30, 202 Amount	<u>23</u> %
	Current liability	Notes		Amount		A			Amount	
2100	Short-term borrowings	6.(11), 8	\$	27,000	_	\$	27,000	_	\$ -	
2100	Financial liabilities at fair value	6. (2)	φ	27,000	-	Φ	27,000	-	φ -	
2120	through profit or loss – current	0.(2)		_	_		_		457	
2130	Contract liability - current	6. (19)		228,431	2		225,564	2	296,301	
2150	Notes payables	0.(19)		220,431	2		225,504	-	347	
2170	Accounts payables			582,806	4		452,725	3	355,937	
2180	Accounts payables-related parties	7		171,983	4		4 <i>52</i> ,725 69,941	1	50,533	
2200	Other payables	, 6. (13), 7		1,991,954	13		672,350	5	1,620,221	1
2200	Current tax liabilities	0. (15), 7		94,500	15		105,243	1	142,998	1
2250	Provisions - current			38,937	1		41,519	-	44,581	
2230	Lease liability - current			66,932	-		41,319 44,717	-	50,927	
2320	Long-term liabilities-current Portion	6 (12) 8		10,507	-		10,476	-	10,379	
2320	Other current liabilities - other	0. (12), 8			-		<i>,</i>	-	45,293	
				48,076			47,941			1
21XX	Total current liabilities			3,261,134	21		1,697,478	12	2,617,974	_1
0.507	Non-current liabilities	( (10)		57 400			50 (0(		59.105	
2527	Contract liability - non-current	6. (19)		57,409	-		58,686	-	58,105	
2540	Long-term borrowings	6. (12), 8		129,275	1		134,499	1	139,761	
2550	Provisions - non-current			13,885	-		14,507	-	15,584	
2570	Deferred tax liabilities			255,286	2		230,873	2	245,566	
2580	Lease liability - non-current			123,018	1		103,720	1	105,590	
2670	Other non-current liabilities - other			15,570			16,500		17,929	
25XX	Total non-current liabilities			594,443	4		558,785	4	582,535	
XXX	Total Liabilities			3,855,577	25		2,256,263	16	3,200,509	_2
	Equity									
	Equity attributable to owners of									
	parent									
	Share capital	6. (16)								
3110	Share capital-common stock			1,608,908	10		1,602,418	11	1,600,898	1
3140	Advance receipts for share capital			760	-		1,660	-	890	
3150	Stock dividends to be allocated			80,204	1		-	-	-	
	Capital surplus	6. (15) (17)								
3200	Capital surplus			6,375,956	41		6,421,702	45	6,338,702	4
	Retained earnings	6. (18)								
3310	Legal reserve			674,628	4		577,944	4	577,944	
3320	Special reserve			12,359	-		12,359	-	12,359	
3350	Unappropriated retained earnings			856,941	5		1,331,564	9	991,440	
	Other Equity									
3400	Other equity			158,989	1		62,953		52,658	_
31XX	Total equity attributable to									
	owners of parent			9,768,745	62		10,010,600	69	9,574,891	6
36XX	Non-controlling interests	4. (3)		2,044,651	13		2,110,795	15	1,972,345	1
3XXX	Total equity			11,813,396	75		12,121,395	84	11,547,236	7
		0								
	Significant contingent liabilities and	9								
	unrecognized contract commitments Total liabilities and equity	9								

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





Manager: Chien-Hung Lir

Accounting Supervisor: Jen-Chung Wang



# AAEON Technology Inc, and Subsidiaries Consolidated Income Statement For the six-month periods ended June 30, 2024 and 2023 (Expressed in thousands of New Taiwan Dollars, except earnings per share data) (Reviewed, not audited)

				For the three-r 2024	nonth per	riods ended Jun 2023	1e 3	0,	For the six-mo 2024	onth period	ds ended June 30 2023	),
	Item	Notes	_	Amount	%	Amount		%	Amount	%	Amount	%
4000	Operating income	6. (19), 7	\$	1,919,052	100 \$	2,056,104	_	100 \$	3,721,555	100 \$	3,984,942	100
5000	Operating cost	6. (5)(23)(24), 7.	(	1,199,668) (	63) (	1,326,228)	(	65) (	2,389,271) (	64) (	2,632,522) (	66)
5900	Operating profit		_	719,384	37	729,876		35	1,332,284	36	1,352,420	34
	Operating expenses	6. (23)(24), 7.										
6100	Selling expense		(	203,790) (	11) (	178,475)	(	8) (	398,035) (	11) (	326,173) (	8)
6200	General and administrative expenses		(	137,796) (	7) (	126,909)	(	6) (	282,079) (	7) (	219,425) (	5)
6300	Research and development expenses		(	183,351) (	9) (	162,639)	(	8) (	365,121) (	10) (	309,166) (	8)
6450	Expected credit impairment (loss) or gain	12. (2)		1,202		209	_	- (	823)		1,113	
6000	Total operating expense		(	523,735) (	27) (	467,814)	(	22) (	1,046,058) (	28) (	853,651) (	21)
6900	Operating income		_	195,649	10	262,062	_	13	286,226	8	498,769	13
	Non-operating income and expenses											
7100	Interest income			43,349	2	19,125		1	72,053	2	20,305	-
7010	Other income	6. (20)		17,566	1	15,336		1	22,113	-	20,514	-
7020	Other gains and losses	6. (21)		45,789	3	113,339		5	421,801	11	205,500	5
7050	Financial costs	6. (22)	(	1,926)	- (	1,362)		- (	3,706)	- (	2,703)	-
7060	Share of the profit of associates and joint ventures accounted for under	6. (6)										
	equity method		_	44,287	2	53,098	_	3	80,614	2	109,648	3
7000	Total non-operating income and expenses			149,065	8	199,536	_	10	592,875	15	353,264	8
7900	Profit (loss) before income tax			344,714	18	461,598		23	879,101	23	852,033	21
7950	Income tax expenses	6. (25)	(	62,351) (	3) (	96,198)	(	5) (	119,932) (	3) (	149,096) (	3)
8200	Profit for the period		\$	282,363	15 \$	365,400	_	18 \$	759,169	20 \$	702,937	18

(Continued)

# AAEON Technology Inc. and Subsidiaries <u>Consolidated Income Statement</u> For the six-month periods ended June 30, 2024 and 2023

(Expressed in thousands of New Taiwan Dollars, except earnings per share data) (Reviewed, not audited)

			For the three-month p			periods ended June 30,				, For the six-month per			riods ended June 30,	
				2024			2023			2024			2023	
	Item	Notes	A	mount	%	A	mount	%	A	mount	%	Amo	ount	%
	Other comprehensive income													
	Components of other comprehensive income that will not be reclassified to profit or loss													
8316	Unrealized gains(losses) on financial assets at FVOCI	6. (3)	\$	451	-	\$	-	-	\$	3,479	-	\$	-	-
8320	Share of other comprehensive income of associates and joint ventures accounted for under equity	6. (6)												
	method - not to be reclassified to profit or loss in subsequent periods			16,761	1		16,996	1		54,291	2	5	59,946	1
8310	Total amount not to be reclassified to profit or loss in subsequent periods			17,212	1		16,996	1		57,770	2	5	59,946	1
	Components of other comprehensive income that will be reclassified to profit or loss													
8361	Financial statements translation differences of foreign operations			17,901	1	(	6,513)	-		64,989	2	(	7,013)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for under equity	6. (6)												
	method - to be reclassified to profit or loss			830	-		5,219	-		7,941	-		5,485	-
8399	Income tax relating to the components of other comprehensive income	6. (25)	(	3,580)	()		1,302		(	12,998)			1,402	
8360	Total amount to be reclassified to profit or loss in subsequent periods			15,151		<u> </u>	8			59,932	2	(	126)	
8300	Net Other comprehensive income		\$	32,363	1	\$	17,004	1	\$	117,702	4	<u>\$</u> 5	59,820	1
8500	Total comprehensive income		\$	314,726	16	\$	382,404	19	\$	876,871	24	\$ 76	52,757	19
	Net income attributable to:													
8610	Shareholders of the parent		\$	235,440	13	\$	320,279	16	\$	664,712	18	\$ 62	9,156	16
8620	Non-controlling interests			46,923	2		45,121	2		94,457	2	7	73,781	2
			\$	282,363	15	\$	365,400	18	\$	759,169	20	<u>\$</u> 70	02,937	18
	Total comprehensive income attributable to:													
8710	Shareholders of the parent		\$	261,989	13	\$	341,705	17	\$	760,748	21		01,805	17
8720	Non-controlling interests			52,737	3		40,699	2		116,123	3	7	0,952	2
			\$	314,726	16	\$	382,404	19	\$	876,871	24	<u>\$</u> 76	52,757	19
	Basic earnings per share	6. (26)												
9750	Total basic earnings per share	5. (20)	\$		1.97	\$		2.77	\$		5.58	\$		5.64
2,20	Diluted earnings per share	6. (26)	÷			¥								
9850	Total diluted earnings per share	0. (20)	\$		1.96	\$		2.75	\$		5.54	\$		5.58

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

Manager: Chien-Hung Lin

Accounting Supervisor: Jen-Chung Wang



Chairman: Yung-Shun Chuang



				<u>Con</u> For the si	Equit	nts of Changes nded June 30, 2 s of New Taiwa , not audited) / attributable to	<u>n Equity</u> 024 and 2023 n Dollars) o owners of the	parent					
		Common	Capital Advance receipts for	Capital	K	etained Earning	Undistributed retained	Financial statements translation differences of foreign	Unrealized gains (losses) form financial assets measured at fair value	r Equity Remeasurements of defined		Non-controlling	
	Notes	share capital	share capital	surplus	Legal reserve	reserve	earnings	operations	income	benefit plans	Total	interests	Total
For the six-month period ended June 30, 2023 Balance at January 1, 2023		\$ 1,490,825	\$ 1,430	\$ 5,461,370	\$ 470,533	\$ 64,805	\$1,165,819	(\$ 21,405)	\$ 11,177	(\$ 2,131)	\$ 8,642,423	\$ 720,475	\$ 9,362,898
Profit fo the period		\$ 1,490,823	<u>\$ 1,430</u>	\$ 5,401,570	\$ 470,333	\$ 04,805	629,156	( <u>\$ 21,405</u> )	<u>\$ 11,177</u>	( <u>\$ 2,131</u> )	<u>\$ 8,042,423</u> 629,156	3 720,475	702,937
Other comprehensive income		_	-	_	-	_		4,539	58,110	_	62,649	( 2,829)	59,820
Total comprehensive income							629,156	4,539	58,110		691,805	70,952	762,757
Appropriations of 2023 earnings	6. (18)												102,101
Legal reserve	0.(10)	-	-	-	107,411	-	( 107,411)	_	_	_	-	_	-
Special reserve		-	-	-	- (	52,446)	52,446	-	-	_	-	_	-
Cash dividends		-	-	-	-	-	( 746,127)	_	_	_	( 746,127)	- (	746,127)
Issuance of new shares in exchange for other company's shares	6. (16) (17)	105,233	-	848,183	-	-	-	-	-	-	953,416	-	953,416
Effect from long-term investment that has not been recognized based on shareholding percentage		-	-	( 5)	-	-	-	-	-	-	( 5)	- (	5)
Change in associates and joint ventures accounted	6. (6) (17)	-	_	2,794	_	_	_	_	_	_	2,794	_	2,794
for under equity method				,	-	-		-	-	-	,		,
Share-based Payment	6. (15) (17)	-	-	3,527	-	-	( 75)	-	-	-	3,452	2,364	5,816
Employee stock options exercised	6. (15) (17)	4,840	( 540)	22,833	-	-	-	-	-	-	27.133	270	27,403
Disposal of financial assets at fair value through other comprehensive income		-	-	-	-	-	( 2,368)	-	2,368	-	-	-	-
Changes in non-controlling interests-subsidiary acquisition		-	-	-	-	-	-	-	-	-	-	1,384,704	1,384,704
Changes in non-controlling interests cash dividen	1c1 (3)		-							_		( 206.420) (	206 420 )

206,420)

\$11,547,236

206,420) (

1,972,345

\$

Balance at June 30, 2023

Changes in non-controlling interests- cash dividends4. (3)

\$ 1,600,898

\$

890

\$ 6,338,702

\$

577,944

\$ 12,359

\$ 991,440

(\$

16,866)

\$

71,655

(\$

2,131) \$ 9,574,891



					Eq	uity attributab	e to owners of	the parent					
_	Share C	Capital		_	Reta	ined Earnings			Othe	r Equity			
									Unrealized				
									gains				
									(losses) form				
									financial				
								Financial	assets				
								statements	measured at				
								translation	fair value				
		Advance					Undistributed	differences of	through other	Remeasurement			
(	Common share	receipts for	Stock dividends			Special	retained		comprehensive	s of defined	1	Non-controlling	
Notes	capital	share capital		Capital surplus	Legal reserve	reserve	earnings	operations	income	benefit plans	Total	interests	Total
For the six-month period ended June 30, 2023		bildi e eupital			Leganteserre		our mings	operations	littoliitt	<u> </u>	1000		1000
Balance at January 1, 2024	\$ 1,602,418	\$ 1,660	\$ -	\$ 6,421,702	\$ 577,944	\$ 12,359	\$1,331,564	(\$ 20,663)	\$ 85,628	(\$ 2,012)	\$ 10,010,600	\$ 2,110,795	\$12,121,395
Profit for the period	-	-	-	-	-	-	664,712	-	-	-	664,712	94,457	759,169
Other comprehensive income	-	-	-	-	-	-	-	41,221	54,815	-	96,036	21,666	117,702
Total comprehensive income	-	-	-	-		-	664,712	41,221	54,815	-	760,748	116,123	876,871
Appropriations of 2021 6. (18)													
earnings													
Legal reserve	-	-	-	-	96,684	-	( 96,684)	) -	-	-	-	-	-
Reversal of special reserve	-	-	-	-	-	-	( 1,042,651)	) –	-	-	-	-	-
Cash dividends	-	-		-	-	-	-	-	-	-	( 1,042,651)	-	( 1,042,651)
Capital surplus-stock dividends 6. (16) (17)	-	-	80,204 (	80,204)	-	-	-	-	-	-	-	-	-
Recognition of changes in 6. (17)	_	_					-	_	_	-	( 142)	142	-
ownership interest in subsidiary			(	142)	-	-					( 112)	112	
Change in associates and joint 6. (6) (17)											5.447	_	5,447
ventures accounted for under equity method	-	-		5,447	-	-	-	-	-	-	5,447	-	5,447
Share-based Payment 6. (15) (17)	-	-		374	-	-	-	-	-	-	374	397	771
Employee stock options 6. (15) (17) exercised	6,490	( 900)	)	28,779	-	-	-	-	-	-	34,369	556	34,925
Changes in non-controlling 4. (3) interests-cash dividends	-	-		-	-	-	-	-	-	-	-	( 183,362)	( 183,362)
Balance at June 30, 2024	\$ 1,608,908	\$ 760	\$ 80,204	\$ 6,375,956	\$ 674,628	\$ 12,359	\$ 856,941	\$ 20,558	\$ 140,443	(\$ 2,012)	\$ 9,768,745	\$ 2,044,651	\$11,813,396

Chairman: Yung-Shun Chuang



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

Manager: Chien-Hung Lin



Accounting Supervisor: Jen-Chung Wang



# AAEON Technology, Inc. and Subsidiaries Consolidated Statement of Cash Flows For the six-month periods ended June 30, 2024 and 2023 (Expressed in thousands of New Taiwan Dollars) (Reviewed, not audited)

		For	the six-month pe	riods e	nded June 30,
	Notes		2024		2023
Cash flows from operating activities					
Profit before tax		\$	879,101	\$	852,033
Adjustments					
Adjustments to reconcile profit (loss)					
Depreciation expense	6. (7) (8) (23)		73,903		54,059
Amortization expenses	6. (10) (23)		45,145		18,528
Expected credit impairment losses (gains)	12.(2)		823	(	1,113
Costs of share-based payment awards	6. (15)		771		2,990
Interest income		(	72,053)	(	20,305
Dividends income	6. (20)	(	12,343)	(	9,831 )
Interest expenses	6. (22)		3,706		2,703
Net gains from financial assets and	6. (2) (21)				
liabilities at fair value through profit or loss		(	220,058)	(	143,731
Losses on disposal of property, plant and	6. (7) (21)		723		2 254
equipment			123		2,354
Transferred to expenses and losses Depreciation expense of investment	(0)		-		3,079
property (other gains and losses)	6 (9) (21)		3,821		3,146
Share of profit of associates accounted for	6. (6)		0,021		0,110
under equity method	0. (0)	(	80,614)	(	109,648
Lease modification (gain) loss	6. (8) (21)	(	542)		24
Changes in operating assets and liabilities	0. (0) (1)	(	0.2)	(	,
Net changes in operating assets					
From financial assets and liabilities at fair					
value through profit or loss			345		-
Notes and accounts receivable			2,690		161,908
Other receivables		(	4,301)	(	1,581
Inventories		(	144,753	(	619,148
Prepayments			10,273	(	2,296
Net changes in operating liabilities			10,275	(	2,290
Contract liability			1,590	(	16,088
Notes and accounts payable (including			1,590	(	10,000
related parties)			232,129	(	146,512
Other payables			86,680	(	32,759
Other current liabilities			135	C	5,438
Provisions for liabilities		(	3,204)	(	970
Other non-current liabilities		(	930)	(	2,407
Net cash from operating activities		(	1,092,543	(	1,238,121
Interest received					
		(	72,053	(	20,305
Interest paid Income taxes paid		(	3,713)	(	2,710
-		( <u> </u>	116,944)	( <u> </u>	249,731
Net cash flows from operating activities			1,043,939		1,005,985

(Continued)

# AAEON Technology Inc, and Subsidiaries Consolidated Statement of Cash Flows For the six-month periods ended June 30, 2024 and 2023 (Expressed in thousands of New Taiwan Dollars) (Reviewed, not audited)

		Fo	r the six-month p	eriods e	ended June 30,
	Notes		2024		2023
Cash flows from investing activities					
Disposal of financial assets and liabilities at					
fair value through profit or loss		\$	5,595	\$	8,520
Acquisition of financial assets and liabilities					
at fair value through other comprehensive		,			
income Acquisition of financial assets measured at		(	72,883)		-
amortized cost		(	118,891)		_
Disposal of financial assets measured at		(	110,091 )		
amortized cost			-		62.000
Increase in other current assets		(	387)	(	391)
Acquisition of investments accounted for	6. (6)				
under equity method			-	(	9,700)
Acquisition of property, plant and equipment	6. (28)	(	21,099)	(	85,992)
Disposal of property, plant and equipment	6. (7)		424		-
Acquisition of intangible asset	6. (10)	(	12,422)	(	1,584)
Decrease (increase) in other non-current					
assets		(	32,518)		859
Dividends received			17,380		30,887
Acquisiton of subsidiary, net of cash received	6. (27)		-		754,136
Net cash flows from investing activities		(	234,801)		758,735
Cash flows from financing activities		`	,		
Reimbursement in long-term borrowings	6 (29)	(	5,193)	(	5,146)
Repayment of lease principal	6 (29)	Ì	31,502)	(	24,748)
Employee share options exercised	6. (15)		34,925		27,403
Net cash flows from financing activities		(	1,770)	(	2,491)
Effects due to changes in exchange rate		`	41,571	(	8,787)
Increase in cash and cash equivalents			848,939	` <u> </u>	1,753,442
Cash and cash equivalents at the beginning of periods			4,347,976		2,234,203
Cash and cash equivalents at the end of periods		\$	5,196,915	\$	3,987,645
equivalence at all end of periods			2,12,0,210	*	2,207,010

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

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Manager: Chien-Hung Lin

Accounting Supervisor: Jen-Chung Wang



Chairman: Yung-Shun Chuang



# AAEON Technology Inc. and Subsidiaries <u>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</u> <u>FOR THE YEARS ENDED JUNE 30, 2024 AND 2023</u> (Expressed in thousands of New Taiwan Dollars, except as of otherwise indicated)

### I. <u>Company Profile</u>

AAEON Technology Co., Ltd. ("the Company") was established in the Republic of China. The main businesses of the company and its subsidiaries ("the Group") include the manufacturing, processing and imports and exports of computer peripherals, electronic components, computer test instruments, computer PCB functional testing, and radio telecommunication equipment and its components; the R&D, design, manufacturing, processing and trading of various industrial computers, medical computers, industrial controllers, quantity controllers and components; industrial computer automation design and services, as well as the import/export of related materials. The Company has been listed on Taiwan Stock Exchange since August 2017. Asustek Computer Co., Ltd. holds 37.57% of the Company's shares (including indirect holdings) and is the Group's ultimate parent company.

# II. Date and Procedures for the Authorization of Financial Reports

These consolidated financial statements were reported to the Board of Directors on August 6, 2024.

- III. New or Revised Standards and Applied Interpretation
  - (I) Effect of the adoption of new issuances of or amendments to International Financial ReportingStandards ("IFRS")Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

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

	Effective date
Newly issued revised or amended standards and interpretations	issued by IASB
Amendments to IFRS 16, "Lease liability in a sale and lease back"	January 1, 2024
Amendments to IAS 1, "Classification of liabilities as current or non- current"	January 1, 2024
Amendments to IAS 1, "Non-current liabilities with covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7, "Supplier finance arrangements"	January 1, 2024
The above standards and interpretations have no significant impact condition and financial performance based on the Group's assessment.	*
endorsed by the FSC but not yet adopted by the Group New standards, interpretations and amendments endorsed by the FSC	
	Amendments to IFRS 16, "Lease liability in a sale and lease back"Amendments to IAS 1, "Classification of liabilities as current or non- current"Amendments to IAS 1, "Non-current liabilities with covenants"Amendments to IAS 1, "Non-current liabilities with covenants"Amendments to IAS 7 and IFRS 7, "Supplier finance arrangements"The above standards and interpretations have no significant impact condition and financial performance based on the Group's assessment.Effect of new issuances of or amendments to International Financia endorsed by the FSC but not yet adopted by the Group

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

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

(III)<u>IFRS Accounting Standards issued by International Accounting Standards Board but not yet</u> 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:

	Effective date
Newly issued revised or amended standards and interpretations	issued by IASB
Amendments to IFRS 9 and IFRS 7, 'Amendments to the	January 1, 2026
classification and measurement of financial Instruments'	
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets	To be determined by
between an investor and its associate or joint venture'	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	January 1, 2023
- comparative information'	
IFRS18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026
Except for the following the above standards and interpretations has	ve no significant impact to

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

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

The IASB issued the amendments to:

1. Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met.

i. the practical ability to withdraw, stop or cancel the payment instruction;

ii. the practical ability to access the cash used for settlement; and

iii. significant settlement risk.

- 2. Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, covering contractual terms that can change cash flows based on contingent events (for example, interest rates linked to ESG targets), non-recourse features and contractually-linked instruments.
- 3. Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets), including a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows that could result from those contractual terms and the gross carrying amount of financial assets and amortised cost of financial liabilities subject to these contractual terms.
- 4. Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.
- B. IFRS 18, 'Presentation and disclosure in financial statements'

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

### IV. Summary of Significant Accounting Policies

The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2023, except for the compliance statement, basis of preparations, basis of consolidation and additional policies as set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

- (I) <u>Compliance Statement</u>
  - These consolidated financial statements of the Group have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34

     "Interim Financial Reporting" as endorsed by the FSC.
  - 2. This consolidated financial report shall be read in conjunction with the 2023 consolidated financial report.
- (II) Basis of preparation
  - 1. Except for the following significant items, these consolidated financial statements have been prepared under the historical cost convention:
    - (1) Financial assets and financial liabilities (including derivatives instruments) at fair value through profit or loss.
    - (2) Financial assets at fair value through other comprehensive income.

- (3) Defined benefit liabilities recognized at the net amount of pension fund assets less present value of defined benefit obligation.
- 2. For the preparation of financial statements in conformity with the IFRS, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, it requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the consolidated financial statements are disclosed in Note 5.

### (III) Basis of consolidation

1. Preparation principle of consolidated financial statement:

This consolidated financial report has been prepared on the same basis as the 2023 consolidated financial report.

			(			
Investor	Subsidiary name	Business	2024/6/30	2023/12/31	2023/6/30	Notes
AAEON	AAEON ELECTRONICS,	Sales of IPC and PC	100%	100%	100%	
AAEON	INC. (AEI) AAEON TECHNOLOGY CO., LTD.	peripherals Investment of IPC and interface card	100%	100%	100%	Note 1
AAEON	(ATCL) AAEON TECHNOLOGY (EUROPE) B.V.(ANI)	Sales of IPC and PC peripherals	100%	100%	100%	
AAEON	AAEON INVESTMENT, CO., LTD. (AAEONI)	Investment of IPC and PC peripherals	100%	100%	100%	Note 1
AAEON	ONYX HEALTHCARE INC. (ONYX)	Design, manufacture and sales of medical PC	48.49%	48.51%	48.84%	Note 2
AAEON	AAEON TECHNOLOGY SINGAPORE PTE. LTD (ASG)	Sales of IPC and PC peripherals	100%	100%	100%	Note 1
AAEON	JETWAY INFORMATION CO., LTD. (JETWAY)	Manufacturing and selling of industrial motherboard and computer peripherals	35.27%	35.27%	35.27%	Note 2 And Note 3

2. Subsidiaries included in the consolidated financial statements:

			(	Ownership (%	6)	
Investor	Subsidiary name	Business	2024/6/30	2023/12/31	2023/6/30	Notes
ATCL ANI	AAEON TECHNOLOGY (SUZHOU) INC. (ACI) AAEON TECHNOLOGY GMBH(AGI)	Production and sales of IPC and interface card Sales of IPC and PC peripherals	100% 100%	100% 100%	100% 100%	Note 1 Note 1
ONYX	ONYX HEALTHCARE EUROPE B.V.(ONI)	Marketing support and maintenance of medical PC and	100%	100%	100%	Note 1
ONYX	ONYX HEALTHCARE USA, INC. (OHU)	peripherals Sales of medical PC and peripherals	100%	100%	100%	
ONYX	ONYX HEALTHCARE (SHANGHAI) LTD. (OCI)	Sales of medical PC and peripherals	100%	100%	100%	Note 1
ONYX	IHELPER INC. (IHELPER)	R&D and sales of medical robots	46.00%	46.00%	46.00%	Notes 1 and 2
JETWAY	JETWAY COMPUTER CORP.(USA) (JETWAYUS)	Selling and repairing of computer peripheral equipment	100%	100%	100%	Note 3
JETWAY	JETWAY COMPUTER B.V. (Netherlands) (JETWAYNL)	Selling and repairing of computer peripheral equipment	100%	100%	100%	Note 1 and 3
JETWAY	JETWAY (FAR EAST) INFORMATION COMPANY LIMITED (JETWAYFE)	Investing of computer peripheral business	100%	100%	100%	Note 1 and 3
JETWAY	TOP NOVEL ENTERPRISE CORP. (Republic of Seychelles) (TOPNOVEL)	Investing of computer peripheral business	100%	100%	100%	Note 3

			Ownership (%)			
Investor	Subsidiary name	Business	2024/6/30	2023/12/31	2023/6/30	Notes
JET WAY (FAR	SCORETIME	Investing of	100%	100%	100%	Note 1
EAST)	INVESTMENT	computer				and 3
INFORMATION	LIMITED	peripheral				
COMPANY	(SCORETIME)	business				
LIMITED						
TOP NOVEL	CANDID	Investing of	100%	100%	100%	Note 3
ENTERPRISE	INTERNATIONAL	computer				
CORP. (Republic	CORP.	peripheral				
of Seychelles)	(CANDID)	business				
CANDID	FUJIAN CANDID	Manufacturing	100%	100%	100%	Note 3
INTERNATIONAL	INTERNATIONAL	and selling of				
CORP.	CO., LTD.	computer				
	(FUJIAN)	and peripheral				
		equipment				

Note 1: Given that the entities did not meet the definitions of material subsidiary, their financial reports as of June 31, 2024 and 2023, were not reviewed by auditors.

- 3. Subsidiaries not included in the consolidated financial statements: None.
- 4. Adjustments for subsidiaries with different end of financial reporting period: None.
- 5. Significant restrictions: None.
- 6. Subsidiaries that have non-controlling interests that are material to the Group:

The Group's total non-controlling interests as of June 30, 2024, December 31, 2023 and June 30, 2023, amounted to \$2,044,651, \$2,110,795 and \$1,972,345, respectively. The Group's subsidiaries with significant non-controlling interests are as follows:

		Non-controlling interests			Non-controlli	ing interests	
			2024/6/30			2023/1	2/31
Subsidiary	Main business		Ownership				Ownership
Name	location		Amount	interest		Amount	interest
ONYX	Taiwan	\$	745,479	51.51%	\$	778,295	51.49%
JETWAY	Taiwan	\$	1,290,973	64.73%	\$	1,323,547	64.73%

Note 2: Although the Group does not hold more than 50% shareholding, it is included in the preparation of the consolidated financial report as it has control over the Company's financial, operating and personnel policies.

Note 3: 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. Consequently, AAEON acquired a total of 35.27% of the shares of JETWAY including 0.19% equity interest held by the Company before the combination, and became the single largest shareholder of JETWAY. Considering the participation of other shareholders and the voting records of major resolutions during JETWAY's past shareholders' meetings, which indicated that the Group has substantial capability to lead relative activities, JETWAY was included in the Group's consolidated financial statements from that date (the acquisition date). In June, 2023, JETWAY held director elections, and the Company has granted more than half of a company's directors.

			olling interests
		202	23/6/30
Subsidiary	Main business		Ownership
Name	location	Amount	interest
ONYX	Taiwan	\$ 695,24	51.16%
JETWAY	Taiwan	\$ 1,268,1	9 64.73%

Summarized financial information of subsidiaries:

# Balance sheet

	ONYX							
	2	2024/6/30		2023/12/31		2023/6/30		
Current asset	\$	985,824	\$	870,965	\$	940,888		
Non-current assets		1,248,157		1,117,243		1,084,007		
Current liability	(	558,248)	(	305,151)	(	425,098)		
Non-current liabilities	(	220,059)	(	222,511)	(	230,817)		
Total Net Assets	\$	1,455,674	\$	1,520,546	\$	1,368,980		

			JETWAY	
		2024/6/30	2023/12/31	2023/6/30
Current asset	\$	1,453,596	1,325,707	\$ 1,345,056
Non-current assets		1,221,907	1,231,257	1,477,196
Current liability	(	482,745) (	313,690)(	(454,474)
Non-current liabilities	(	197,903) (	198,413) (	204,832)
Total Net Assets	\$	1,994,855 \$	2,044,861	\$ 2,162,946

Statement of comprehensive income

	ONYX				
	For	the three-month p	eriods	ended June 30,	
		2024		2023	
Income	\$	299,338	\$	357,874	
Profit before tax	\$	41,148	\$	80,223	
Income tax expense	()	2,644)	()	12,699)	
Net income		38,504		67,524	
Other comprehensive income (net amount after tax)		2,930		2,772	
Total comprehensive income	\$	41,434	\$	70,296	
Total comprehensive income attributable to non-controlling interests	\$	21,342	\$	35,972	
Dividends of non-controlling interests	\$	86,295	\$	85,087	

	ONYX				
	For the six-month periods ended June 3				
		2024	2023		
Income	\$	574,678	\$	685,816	
Profit before tax	\$	98,147	\$	140,397	
Income tax expense	()	9,595)	()	16,781)	
Net income		88,552		123,616	
Other comprehensive income (net amount after tax)		12,393		5,889	
Total comprehensive income	\$	100,945	\$	129,505	
Total comprehensive income attributable to non-controlling interests	\$	52,385	\$	66,265	
Dividends of non-controlling interests	\$	86,295	\$	85,087	

	_	JETWAY
	From	m Aprl.1 to June
		30, 2024
Income	\$	344,793
Profit before tax		64,742
Income tax expense	()	22,692)
Net income		42,050
Other comprehensive income (net amount after tax)		6,652
Total comprehensive income	\$	48,702
Total comprehensive income attributable to non-controlling interests	\$	31,596
Dividends of non-controlling interests	\$	97,067

	JETWAY				
	From	n Jan.1 to June	From Aprl.28 to		
		30, 2024	Jur	ne 30, 2023	
Income	\$	660,465	\$	221,490	
Profit before tax	\$	111,729	\$	23,619	
Income tax expense	()	35,384)	()	7,257)	
Net income		76,345		16,362	
Other comprehensive income (net amount after tax)		23,615	(	9,025)	
Total comprehensive income	\$	99,960	\$	7,337	
Total comprehensive income attributable to non-controlling interests	\$	64,699	\$	4,749	
Dividends of non-controlling interests	\$	97,067	\$	121,333	

# Cash flow statement

	For	ended June 30,		
		2024		2023
Net cash inflow from operating activities	\$	72,021	\$	75,272
Net cash outflow from investing activities	(	70,073)	(	71,784)
Net cash outflow from financing activities	(	5,370)	(	5,931)
Effects of exchange rate changes on cash and cash equivalents		395		1,300
Decrease in current cash and cash equivalents	(	5,027)	(	1,143)
Cash and cash equivalents at the beginning of periods		366,767		328,886
Cash and cash equivalents at the end of periods	\$	361,740	\$	327,743

	JETWAY			
	From	Jan.1 to June	Fro	m Aprl.28 to
		30, 2024	Jur	ne 30, 2023
Net cash inflow from operating activities	\$	171,881	\$	34,604
Net cash inflow (outflow) from investing activities	(	162,951)		62,973
Net cash outflow from financing activities	(	5,150)	(	1,395)
Effects of exchange rate changes on cash and cash equivalents		24,088	(	15,165)
Increase in current cash and cash equivalents		27,868		81,017
Cash and cash equivalents at the beginning of periods	_	865,919		758,967
Cash and cash equivalents at the end of periods	\$	893,787	\$	839,984

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

No material changes had taken place in the current period; please refer to Note 5. of the 2023 consolidated financial report.

### VI. Details of significant accounts

# (I) Cash and cash equivalents

	 2024/6/30		2023/12/31		2023/6/30	
Cash on hand and petty cash	\$ 5,219	\$	4,392	s	6,121	
Check deposit and demand deposit	3,178,381		2,397,774		2,007,465	
Time deposit	2,013,315		1,945,810		1,974,059	
Total	\$ 5,196,915	\$	4,347,976	\$	3,987,645	

1. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

2. Please refer to Note 8 for the Group's collateral provision in the form of cash and cash equivalent guarantees.

3. Time deposits with original maturities exceeding three months of the Group's have been reclassified under 'Financial assets measured at amortized cost.

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

Item	2024/6/30		2023/12/31	2023/6/30	
Current:					
Financial assets					
mandatorily measured at					
fair value through profit or					
loss					
Listed and OTC stocks	\$	85,178	\$ 91,428	\$	91,428
Emerging stocks		3,000	3,000		3,000
Unlisted and non-OTC stocks		-	73,744		73,744
Beneficiary certificates		25,000	25,000		25,000
Convertible bond		104,900	104,900		104,900
		218,078	 298,072		298,072
Valuation adjustment		411,186	125,212		141,348
Subtotal	\$	629,264	\$ 423,284	\$	439,420
Current:					
Financial liabilities held					
for trading					
Derivative	\$	-	\$ -	\$	457

		2024/6/30		2023/12/31		2023/6/30	
Non-current:							
Financial assets							
mandatorily measured at							
fair value through profit or							
loss							
Unlisted and non-OTC stocks	\$	132,814	\$	59,070	\$	59,070	
Hybrid instrument		10,832		10,832		10,832	
		143,646		69,902		69,902	
Valuation adjustment	(	72,877)(		7,271)	(	10,476)	
Subtotal	\$	70,769	\$	62,631	\$	59,426	

- 1. The hybrid instrument is a contract that contains both a host contract and embedded options of the unlisted company V-net AAEON Corporation Ltd. (hereinafter referred to as V-net). The options provide original shareholders the right to resell/repurchase stocks of the Company and V-net at the original transaction price. Please refer to Note 12 (3) 8 for the fair value as of June 30, 2024, December 31, 2023 and June 30, 2023.
- 2. Amounts recognized in profit of loss in relation to financial assets at fair value through profit or loss are listed below:

	For the three-month periods ended June 30,					
		2024	2023			
Financial assets mandatorily measured at fair value through profit or loss						
Equity instruments	(\$	18,443) \$	53,090			
Beneficiary certificates		91	80			
Convertible bond		600	2,100			
Derivative		292 (	457)			
Hybrid instrument	(	375)(	510)			
Total	(\$	17,835) \$	54,303			

	For the six-month periods ended June 30,						
		2024	•	2023			
Financial assets mandatorily measured at fair value through profit or loss							
Equity instruments	\$	216,665	\$	133,451			
Beneficiary certificates		179		155			
Convertible bond		3,500		11,300			
Derivative		345	(	457)			
Hybrid instrument	(	631	)(	718)			
Total	\$	220,058	\$	143,731			

	2023/6/30						
Derivative financial liabilities	Contract amount	Maturity period					
Current item:							
Forward exchange contracts							
-Buy NTD Sell USD	USD 510,000	2023.6.12~2023.7.14					
-Buy NTD Sell USD	USD 510,000	2023.6.19~2023.7.7					
	• 1	4 11 F 1 1					

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

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

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

Item		2024/6/30		2023/12/31	2023/6/30	
Non-current: Equity instrument						
Listed and OTC stocks	\$	83,452	\$	71,769	\$	-
Unlisted and non-OTC stocks		100,534		39,334		39,334
Valuation adjustment	(	38,868)	(	42,347)(	(	36,953)
Total	\$	145,118	\$	68,756	\$	2,381

1. The Group has elected to classify its equity instruments held for strategic investment as financial assets measured at fair value through other comprehensive income. The fair values of these investments as of June 30, 2024, December 31, 2023, and June 30, 2023, were \$145,118, \$68,756, and \$2,381, respectively.

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

	For the three-month periods ended June 30,						
		2024	2023				
Financial asset at fair value through other comprehensive income							
Recognized in other comprehensive income (loss)	\$	451	\$		-		
The dividend income recognized in profit or loss for those still held at the end of the current period.	\$	3,929	\$		-		

	For the six-month periods ended June 30,					
		2024	2023			
Financial asset at fair value through other comprehensive income Recognized in other comprehensive income	\$	3,479	\$	_		
(loss) Transfer to retained earnings from derecognition of financial assets	\$	-	(\$	4,845 )		
The dividend income recognized in profit or loss for those still held at the end of the current period.	\$	3,929	\$	-		

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

### (IV) Notes and accounts receivables

	2024/6/30		20	)23/12/31	2023/6/30	
Notes receivable	\$	18,833	\$	13,400	\$	13,502
Accounts receivable	\$	931,308	\$	939,430	\$	1,076,327
Less: Loss allowance	(	21,220)	(	19,864)	(	20,714)
	\$	910,088	\$	919,566	\$	1,055,613

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

Notes receivable	2024/6/30			2023/12/31	2023/6/30	
Not past due	\$	\$ 18,833		\$ 13,400		13,502
Accounts receivable		2024/6/30		2023/12/31		2023/6/30
Not past due	\$	755,799	\$	763,274	\$	844,470
Within 30 days		116,973		115,098		175,907
31-60 days		36,199		43,877		30,924
61-90 days		5,355		106		7,193
91-180 days		1,185		2,199		3,015
Over 181 days		15,797		14,876		14,818
	\$	931,308	\$	939,430	\$	1,076,327

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

2. The Group does not hold any financial assets as security for accounts and notes receivables.

3. Balances of accounts and notes receivable as of June 30, 2024, December 31, 2023 and June 30, 2023 had arisen entirely from customers' contracts. Balance receivable on customers' contracts and allowance for losses as of January 1, 2023 were \$1,156,626 and \$21,597,

respectively.

Merchandise Inventories

- 4. Regardless of any collateral held or other credit enhancements, the maximum exposure to the credit risk of notes receivables as of June 30, 2024, December 31, 2023 and June 30, 2023 were \$18,833, \$13,400 and \$13,502, respectively, and the maximum exposure to the credit risk of accounts receivable as of June 30, 2024, December 31, 2023 and June 30, 2023 were \$910,088, \$919,566 and \$1,055,613, respectively.
- 5. Please refer to Note 12 (2) for credit risk information of notes and accounts receivable.
- (V) Inventories

	2024/6/30				
	_	Cost	Valuation allowance	C	Carrying amount
Raw material	\$	731,062 (	\$ 108,871	) \$	622,191
Work in progress		427,811 (	28,112	)	399,699
Finished good		323,996 (	51,875	)	272,121
Merchandise Inventories	_	72,072 (	19,731	)	52,341
Total	\$	1,554,941 (	\$ 208,589	) \$	1,346,352
			2023/12/31		
		Cost	Valuation allowance	(	Carrying amount
Raw material	\$	831,349	(\$ 120,623)	) \$	710,726
Work in progress		472,702	( 23,411)	)	449,291
Finished good		333,185	( 44,587)	)	288,598
Merchandise Inventories		64,595	( 22,105	)	42,490
Total	\$	1,701,831	(\$ 210,726)	) _\$	1,491,105
			2023/6/30		
		Cost	Valuation allowance	C	Carrying amount
Raw material	\$	1,036,148 (	\$ 117,546	) \$	918,602
Work in progress		504,956 (	31,006	)	473,950
Finished good		398,047 (	41,403	)	356,644

Inventories in transit \$ 2,049,130 (\$ 206,307) \$ 1,842,823 Total

109,902 (

77

16,352)

\_

93,550

77

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

		For the three-month	periods	priods ended June 30,		
		2024	2023			
Cost of Inventories sold	\$	1,205,869	\$	1,319,076		
Inventories obsolescence and devaluation loss (reversal gain)	(	6,918 )		7,642		
Losses on disposal of inventories		60		12		
Others		657	(	502)		
	\$	1,199,668	\$	1,326,228		

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	For the six-month	periods e	eriods ended June 30,			
	 2024	2023				
Cost of Inventories sold	\$ 2,382,177	\$	2,635,771			
Inventories obsolescence and devaluation loss (reversal gain)	6,038	(	3,440)			
Losses on disposal of inventories	140		75			
Others	916		116			
	\$ 2,389,271	\$	2,632,522			

The Group recognized a gain from the reversal of previously recognized inventory write-downs due to the sale of such inventory during the periods from April 1 to June 30, 2024, and January 1 to June 30, 2023.

# (VI)Investments accounted for under equity method

		2024		2023
At January 1	\$	4,138,921	\$	4,143,549
Increase in Investments accounted for under equity method		-		34,855
Share of investment income accounted for using the equity method		80,614		109,648
Distribution of investment income accounted for using the equity method	(	68,365)	(	69,857)
Changes in capital surplus		5,447		2,789
Changes in other equity		62,232		65,431
At June 30	\$	4,218,849	\$	4,286,415

	2024/6/30			2023/12/31		
Investee	Ownership (%)		Book value	Ownership (%)		Book value
LITEMAX ELECTRONICS INC.	11.90	\$	106,737	11.91	\$	114,718
IBASE TECHNOLOGY	26.72		3,461,810	26.82		3,359,992
INC. WINMATE INC. PROTECTLIFE	12.85		618,269	13.08		629,526
INTERNATIONAL BIOMEDICAL INC.	11.27		32,033	11.27		34,685
		\$	4,218,849		\$	4,138,921

	2023/6/30					
Investee	Ownership (%)	Book value				
LITEMAX ELECTRONICS INC.	11.95 \$	103,884				
IBASE						
TECHNOLOGY	28.53	3,553,769				
INC.						
WINMATE INC.	13.33	596,015				
PROTECTLIFE						
INTERNATIONAL	11.54	32,747				
BIOMEDICAL INC.	_					
	\$	4,286,415				

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

	IBASE TECHNOLOGY INC.					
		2024/6/30		2023/12/31	_	2023/6/30
Current asset	\$	5,517,028	\$	6,386,855	\$	6,590,901
Non-current assets		7,378,424		7,183,821		6,961,142
Current liability	(	3,396,355)	(	2,686,379)	(	2,510,053)
Non-current liabilities	(	1,057,460)	(	2,255,564)	(	3,425,745)
Net assets fair value of trade marks, other intangible and tangible assets adjustment		1,044,076		1,269,201		1,476,687
Adjusted Net Assets	\$	9,485,713	\$	9,897,934	\$	9,092,932
Share of net assets of the affiliate Goodwill Declaration of dividends	\$	2,262,179 978,418 221,213	\$	2,381,574 978,418	\$	2,279,811 978,418 295,540
Book value of associates	\$	3,461,810	\$	3,359,992	\$	3,553,769

Balance sheet

Statement of comprehensive income

# IBASE TECHNOLOGY INC.

	For the three-month periods ended June 30,					
		2024	2023			
Income	\$	1,315,765	\$	1,538,648		
Net income of continuing operations		155,776		199,396		
Other comprehensive income (net amount after tax)		72,082		75,820		
Total comprehensive income		227,858		275,216		
Fair value adjustment	(	38,133)	(	38,134)		
Adjusted total comprehensive income	\$	189,725	\$	237,082		

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	IBASE TECHNOLOGY INC.						
	For the six-month periods ended June 30,						
		2024	2023				
Income	\$	2,302,083	\$	3,155,764			
Net income of continuing operations		339,739		433,110			
Other comprehensive income (net amount after tax)		229,749		215,998			
Total comprehensive income		569,488		649,108			
Fair value adjustment	(	76,267)	(	76,040)			
Adjusted total comprehensive income	\$	493,221	\$	573,068			

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

•

	For the three-month periods ended June 30,				
		2024	2023		
Net income of continuing operations	\$	24,876	\$	21,595	
Other comprehensive income (net amount after tax) Total comprehensive income		1,181		788	
	\$	26,057	\$	22,383	

	For th	ided June 30,		
		2024		2023
Net income of continuing operations	\$	45,278	\$	40,033
Other comprehensive income (net amount after tax)		3,649		4,287
Total comprehensive income	\$	48,927	\$	44,320

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

	 2024/6/30	 2023/12/31	 2023/6/30
LITEMAX ELECTRONICS INC.	\$ 301,906	\$ 237,713	\$ 227,433
IBASE TECHNOLOGY INC.	4,466,605	4,270,794	4,720,630
WINMATE INC.	1,567,332	1,254,890	1,152,450
	\$ 6,335,843	\$ 5,763,397	\$ 6,100,513

4. Although the Group holds less than 20% of the voting power of Litemax Electronics Inc., it has significant influence to Litemax and has adopted the equity method for evaluation as its shareholding percentage is the highest, and has also been serving as a director of Litemax.

- 5. Although the Group holds less than 20% of the voting power of Winmate Inc., it has adopted the equity method for evaluation as its subsidiary Onyx has served as a director of Winmate Inc.
- 6. The Group originally holds 6.3% equity stake of PROTECTLIFE INTERNATIONAL BIOMEDICAL INC. After participating in its cash capital increase on February 9, 2023,

the Group's ownership percentage increased to 11.27%. Although it holds less than 20%, when considering the group's shares together with those held by another related party, FU LI INVESTMENT INC. (a subsidiary with its chairman serving as a director of ONYX), the ownership percentage reached 20%. Additionally, the chairman of the subsidiary, who holds a significant influence, serves as a director of PROTECTLIFE INTERNATIONAL BIOMEDICAL INC. Therefore, starting from February 9, 2023, the equity method is applied for the evaluation of the investment.

- 7. The Group holds 26.72% of the votting power of IBASE TECHNOLOGY INC., as the single largest shareholder. Considering the participation of other shareholders in the previous shareholders' meeting and the voting rights of major proposals, the Group has no actual ability to direct relevant activities. Therefore, the Group has no control over the company and only has a significant influence.
- 8. The Group holds 11.90% of the votting power of LITEMAX ELECTRONICS INC., as the single largest shareholder. Considering that the remaining 88.10% of LITEMAX's equity is concentrated in investors from other parties, the number of votes for the minority voting rights holders to act together has surpassed that of the Group, Therefore, the Group has no control over the company and only has significant influence on LITEMAX.

2024

						2	024				
						lachinery		Other	in pro eq	nstruction ogress and uipment under	
		Land		Buildings	and	equipment	ec	quipment	ins	tallation	Total
January 1 Cost Accumulated	\$	714,261	\$	977,482	\$	239,666	\$	283,009	\$	343 5	\$ 2,214,761
depreciation and		-	(	310,886)	(	177,379)	(	206,812)		- (	695,077)
impairment				. ,		. ,		. ,		,	
	\$	714,261	\$	666,596	\$	62,287	\$	76,197	\$	343	\$ 1,519,684
	_					<u> </u>					
January 1	\$	714,261	\$	666,596	\$	62,287	\$	76,197	\$	343 5	\$ 1,519,684
Additions		-		616		17,786		8,785		830	28,017
Disposal		-	(	3)	(	499)	(	645)		- (	1,147)
Reclassification (Note)	(	98,104)	) (	57,698)		590		1,102	(	959)(	155,069)
Depreciation expense		-	Ì	13,949)	(	8,339)	(	17,170)		- (	39,458)
Net exchange differences		4,390		9,189		264		535			14,378
June 30	\$	620,547	\$	604,751	\$	72,089	\$	68,804	\$	214 5	\$ 1,366,405
June 30											
Cost	\$	620,547	\$	925,674	\$	230,772	\$	279,334	\$	214 5	\$ 2,056,541
Accumulated											
depreciation and		-	(	320,923)	(	158,683)	(	210,530)		- (	690,136)
impairment	_		_				_				 
	\$	620,547	\$	604,751	\$	72,089	\$	68,804	\$	214	\$ 1,366,405

(VII) Property, Plant and Equipment

					20	)23					
	 Land		Buildings		Machinery d equipment	e	Other quipment	in p e	onstruction rogress and quipment under ustallation		Total
January 1 Cost	\$ 490,453	\$	319,367	\$	98,346	\$	197,458	\$	8,370	\$	1,113,994
Accumulated depreciation and impairment	-	(	111,140)	(	47,422)	(	149,691)		-	(	308,253)
mpunnen	\$ 490,453	\$	208,227	\$	50,924	\$	47,767	\$	8,370	\$	805,741
January 1 Additions Disposal Reclassification Depreciation expense Effects due to changes in consolidated entities Net exchange differences June 30	\$ 490,453 37,523 - - 186,298 1,082 715,356	\$ ( ( <u></u> ( <u></u> <u></u>	208,227 12,446 2) 29,146 8,421) 444,658 5,501) <u>680,553</u>	(	50,924 7,860 95 ) 4,920 6,594 ) 8,592 307 ) <u>65,300</u>		47,767 19,639 2,257 ) 4,708 13,501 ) 13,288 - - 69,644	\$ ( <u>\$</u>	8,370 12,514 12,788 ) - - - - - - - - - - - -	\$ ( ( ( <u>\$</u>	805,741 89,982 2,354 ) 25,986 28,516 ) 652,836 4,726 ) 1,538,949
June 30 Cost Accumulated depreciation and impairment	\$ 715,356	\$ (	975,321 294,768 )		233,571 168,271 )		262,733	\$	8,096	\$ (	2,195,077 656,128 )
	\$ 715,356	\$	680,553	\$	65,300	\$	69,644	\$	8,096	\$	1,538,949

Note: Reclassified the main properties to investment properties.

- 1. The above property, plant and equipment are assets for self-use requirement.
- 2. There were no capitalization of borrowing costs related to the above-mentioned properties, plants and equipment.
- 3. Please refer to Note 8 for the property, plant and equipment as collaterals for loans.
- (VIII) <u>Leasing arrangements lessee</u>
  - 1. The Group leases various assets including land use right, buildings, transportation equipment and other equipment. The rental contracts of land use right is 43 years, remaining are typically made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions, the lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
  - 2. The lease term of part of the Group's houses and transportation equipment is no more than 12 months, with leases of office equipment which are low-value assets.
  - 3. The carrying amount of right-of-use assets and the amount of depreciation expense recognized are as follows:

	2024/6/30		2023/12/31			2023/6/30
	Car	Carrying amount		Carrying amount		arrying amount
Building	\$	171,881	\$	136,523	\$	143,834
Transportation equipment		12,235		7,482		7,844
Land use right		41,425		41,367		41,688
Other equipment		572		1,244		1,458
	\$	226,113	\$	186,616	\$	194,824

	For the three-month periods ended June 30,							
		2024		2023				
	Depreciation expense			Depreciation expense				
Building	\$	15,474	\$	12,093				
Transportation equipment		1,581		1,427				
Land use right		283		186				
Other equipment		93		107				
	\$	17,431	\$	13,813				
	For	the six-month pe	eriods ended June 30,					
		2024		2023				
	Depree	ciation expense	Depreciation expense					
Building	\$	30,716	\$	22,310				
Transportation equipment		2,966		2,833				
Land use right		563		186				
Other equipment		200		214				
	\$	34,445	\$	25,543				

4. For the six-month periods ended June 30, 2024 and 2023 to the acquisitions of right-of use assets were \$71,806 and \$33,428, respectively.

### 5. The information on income and expense accounts relating to lease contracts is as follows:

	For the three-month periods ended June 30,						
		2024	2023				
Items affecting profit or loss							
Interest expenses on lease liabilities	\$	1,196 \$	662				
Expenses on short-term lease contracts		3,113	4,842				
Expenses on leases of low-value assets		47	21				
Loss on lease modification	(	12)	-				

	For the six-month periods ended June 30,						
		2024		2023			
Items affecting profit or loss							
Interest expenses on lease liabilities	\$	2,275	\$	1,344			
Expenses on short-term lease contracts		7,202		9,526			
Expenses on leases of low-value assets		77		81			
Gain on lease modification		542		24			

6. For the six-month periods ended June 30, 2024 and 2023, the Group's total cash outflow for leases was \$41,056 and \$35,699, respectively.

# (IX) Investment property

				2024		
		Land		Buildings		Total
January 1 Cost Accumulated	\$	128,073	\$	146,443	\$	274,516
depreciation and impairment		-	(	82,724)	(	82,724)
*	\$	128,073	\$	63,719	\$	191,792
January 1 Reclassification	\$	128,073	\$	63,719	\$	191,792
(Note 1)		98,104		59,477		157,581
Depreciation expense		-	(	3,821)	(	3,821)
Net exchange differents		-		1,021		1,021
June 30	\$	226,177	\$	120,396	\$	346,573
June 30	_					
Cost	\$	226,177	\$	222,123	\$	448,300
Accumulated depreciation and impairment		-	(	101,727)	(	101,727)
*	\$	226,177	\$	120,396	\$	346,573

			2023		
	Land	]	Buildings		Total
\$	128,073	\$	192,206	\$	320,279
	-	(	97,350)	(	97,350)
\$	128,073	\$	94,856	\$	222,929
\$	128,073	\$	94,856	\$	222,929
	-	(	24,145)	(	24,145)
	-	(	3,146)	(	3,146)
	-	(	1,165)	(	1,165)
\$	128,073	\$	66,400	\$	194,473
_					
\$	128,073	\$	145,253	\$	273,326
	-	(	78,853)	(	78,853)
\$	128,073	\$	66,400	\$	194,473
	<u>\$</u> \$  \$	\$ 128,073 <u>\$ 128,073</u> <u>\$ 128,073</u> <u>\$ 128,073</u> <u>-</u> <u>\$ 128,073</u> <u>-</u> <u>\$ 128,073</u> <u>-</u> <u>\$ 128,073</u> <u>-</u> <u>\$ 128,073</u> <u>-</u>	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	LandBuildings\$128,073\$192,206-(97,350) $$128,073$ \$94,856\$128,073\$94,856-(24,145)-(3,146)-(1,165)\$128,073\$\$128,073\$-(78,853)	Land       Buildings         \$       128,073       \$       192,206       \$         -       (       97,350)( $$       128,073$ $$       94,856$ $$         $       128,073       $       94,856       $         $       128,073       $       94,856       $         $       128,073       $       94,856       $         -       (       24,145)(       -       (       3,146)(         -       (       1,165)(       $       -         $       128,073       $       145,253       $         -       (       78,853)(       -       -   $

Note 1: Mainly reclassified from investment property to property, plant and equipment. Note 2: Mainly reclassified from property, plant and equipment to investment property.

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

	For the three-month periods ended June 30,								
		2024		2023					
Rent income	\$	2,876	\$		2,473				
Related direct operating cost & expense	\$	2,261	\$		1,349				
		For the six-month per	riods end	ed June 30,					
		2024		2023					
Rent income	\$	5,370	\$		6,308				
Related direct operating cost & expense	\$	3,821	\$		3,146				

2. The fair value of investment property for the year ended June 30, 2024, December 31, 2023 and June 30, 2023 was \$507,919, \$348,631 and \$354,395 which base on the evaluation results of nearby transaction prices.

# (X) Intangible assets

	-	Patent and Expertise		Computer Software	 Goodwill		Customer elationship		Total
January 1, 2024 Cost		\$ 70,691	\$	75,780	\$ 204,390	\$	465,859	\$	816,720
Accumulated amortization and impairment	(	7,900)	) (	64,299)	-	(	44,368)	(	116,567)
impairment		\$ 62,791	\$	11,481	\$ 204,390	\$	421,491	\$	700,153
January 1		\$ 62,791	\$	11,481	\$ 204,390	\$	421,491	\$	700,153
Additions- from acquisitions		-		12,422	-		-		12,422
Amortization	(	5,869)	) (	5,931)	-	(	33,275)	(	45,075)
Net exchange differences		17		7	-		-		24
June 30, 2024	•	\$ 56,939	\$	17,979	\$ 204,390	\$	388,216	\$	667,524
June 30, 2024 Cost Accumulated		\$ 70,691	\$	88,202	\$ 204,390	\$	465,859	\$	829,142
amortization and	(	13,752 )	) (	70,223)	-	(	77,643)	(	161,618)
impairment		\$ 56,939	\$	17,979	\$ 204,390	\$	388,216	\$	667,524
	-	Patent and Expertise		Computer Software	 Goodwill		Customer elationship		Total
January 1, 2023 Cost		\$ 385	\$	66,511	\$ -	\$	-	\$	66,896
Accumulated amortization and impairment	(	59)	) (	53,524)	-		-	(	53,583)
mpunnon		\$ 326	\$	12,987	\$ 	\$		\$	13,313
January 1		\$ 326	\$	12,987	\$ -	\$	-	\$	13,313
Additions- from acquisitions		-		1,584	-		-		1,584
Additions- due to changes in consolidated entities	l	70,146		721	203,721		463,225		737,813
Amortization	(	1,949)	) (	5,322)	-	(	11,029)	(	18,300)
Net exchange differences		5	(	18)	-		-	(	13)
June 30, 2023		\$ 68,528	\$	9,952	\$ 203,721	\$	452,196	\$	734,397
June 30, 2023 Cost Accumulated		\$ 70,531	\$	68,816	\$ 203,721	\$	463,225	\$	806,293
amortization and	(	2,003 )	) (	58,864)	-	(	11,029)	(	71,896)
impairment	-	\$ 68,528	\$	9,952	\$ 203,721	\$	452,196	\$	734,397

- 1. Please refer to the Note 6(27) for business combinations.
- 2. As of June 30, 2024, the goodwill generated by JETWAY due to the acquisition of the Group is tentatively recognized at \$204,390, and the impairment test of goodwill is to allocate goodwill to the cash generating units related to JETWAY, and the use value is used as the basis for the recoverable amount, and the use value is estimated based on the cash flow of the five-year financial budget approved by management.

Management determines the budget gross margin based on previous performance and its expectations of market development. The weighted average growth rate used is consistent with the industry report's forecast. The discount rate used is an after-tax rate and reflects the specific risks of the relevant operating sector. The after-tax discount rate used in the main assessment of June 30, 2024 was 17.21%

Based on the aforementioned assessment, there was no recognition of goodwill impairment for the six-month periods ended June 30, 2024.

3. The details of Amortization as below:

		For the t	hree-month pe	eriods en	nded June 30,
	_	2024			2023
Operating cost	5	5	271	\$	62
Selling expense			343		138
General and administrativ expenses			20,569		13,773
Research and developmer expenses	nt		1,952		1,560
	5	\$ 23,135 \$			15,533
		For the	six-month per	riods en	ded June 30,
		2024			2023
Operating cost	5	5	356	\$	81
Selling expense			545		272
General and administrativ expenses	ve		41,037		14,582
Research and developmer expenses	nt		3,137		3,365
	5	5	45,075	\$	18,300
(XI)Short-term borrowings	_				
Nature of the borrowing		2024/6/30	Interest rate	range	Collateral
Bank borrowings					
Credit borrowings	\$	27,000	0.50%		Refer to Note 8
Nature of the borrowing		2023/12/31	Interest rate	range	Collateral
Bank borrowings					
Credit borrowings	\$	27,000	0.50%		Refer to Note 8

- 1. The Group had no short-term borrowings as of June 30, 2023.
- 2. For the three months ended June 30, 2024 and 2023, and for the six months ended June 30, 2024 and 2023. interest expense recognized through profit or loss was \$33, \$0, \$71 and \$0, separately.

#### (XII)Long-term borrowings

1) <u>Long-term borrownigs</u>					
	Period and	Interest	Collateral		
Type of borrowing	Repayment method	rate range	Conateral		2024/6/30
Borrowings from banks					
	2021.5.28-2036.5.28		Land,		
Guaranteed borrowings	Monthly amortization	1.975%	Buildings	\$	139,782
	of principal and interest				
Less: Current portions of lo	ng-term loans			(	10,507)
				\$	129,275
	Period and	Interest	C 11 / 1	_	
Type of borrowing	Repayment method	rate range	Collateral		2023/12/31
Borrowings from banks					
	2021.5.28-2036.5.28		Land,		
Guaranteed borrowings	Monthly amortization of principal and interest	1.85%	Buildings	\$	144,975
Less: Current portions of lo	1 1			(	10,476)
				\$	134,499
	Period and	Interest			
Type of borrowing	Repayment method	rate range	Collateral		2023/6/30
Borrowings from banks		<u>U</u>			
-	2021.5.28-2036.5.28		Land,		
Guaranteed borrowings	Monthly amortization	1.85%	Buildings	\$	150,140
C	of principal and interest		C		
Less: Current portions of lo	ng-term loans			(	10,379)
				\$	139,761
1 The interest recognized	in profit or loss for the th	ree month	neriod ender		f June 30 2024

1. The interest recognized in profit or loss for the three-month period ended of June 30, 2024 and 2023, the six months ended June 30, 2024 and 2023 were \$697, \$700, \$1,360 and \$1,359, respectively.

2. Please refer to Note 8 for the guarantee status of long-term borrowings.

(XIII)Other Payables

	2024/6/30	2023/12/31	2023/6/30
Accured payroll, employee's compensation and bonuses	\$ 502,823	\$ 446,691	\$ 449,937
Accured technical service fee (Note)	39,229	37,691	39,938
Accured dividends (Note)	1,226,013	-	952,547
Accured commission fee	94,236	78,349	78,012
Others	129,653	109,619	99,787
	\$ 1,991,954	\$ 672,350	\$ 1,620,221

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

### (XIV)Pension

- 1. (1) JETWAY have a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 5% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contribution for the deficit by next March.
  - (2) The pension costs under the defined benefit pension plans of the Group were \$0 for the three-month period ended June 30, 2024, \$0 for the six-month period ended June 30, 2024, and \$57 for the period from April 28, 2023, to June 30, 2024.
  - (3) Expected contribution to the defined benefit pension plans of the Group for the year of 2024 is \$0.
- 2. (1) Since July 1, 2005, the Company and its domestic subsidiaries have established certain retirement payout methods applicable for domestic employees in accordance with the "Labor Pension Act". The Company and its domestic subsidiaries choose to apply the labor pension system stipulated in the "Labor Pension Act", and allocate pensions on a monthly basis to the individual labor pension account managed by the Bureau of Labor Insurance at 6% of monthly wage. Based on the principal and accrued dividends from an employee's individual labor pension account, labor pension shall be paid by monthly pension payments or by lump-sum payment upon retirement.

(2) In accordance with the pension insurance system formulated by the People's Republic of China, ACI, OCI and FUJIAN CANDID has allocated provisions for pension insurance based on a specified ratio of the overall wage of local employees. Each employee's retirement pension is managed by the government, and ACI, OCI and FUJIAN CANDID have no further obligations except to be responsible for monthly allocation.

- (3) AEI and OHU currently have a personal pension scheme under the Company's support. The Company and the employees are jointly liable for the employee's pension fund, of which the company allocates 3% of total wage, and the pension is capped by the amount paid by employees.
- (4) ASG, ANI, AGI, ONI and JETWAUS shall allocate pensions in accordance with local laws and regulations.
- (5) Pension costs recognized by the group in accordance with the above retirement policy for were \$14,485, \$11,950, \$28,645, and \$23,274 for the three months periods ended June 30, 2024 and 2023, and for the six months periods ended June 30, 2024 and 2023, respectively.

#### (XV) Share-based Payment

- 1. The Company
- (1) The Company had the following share-based payment agreement active for the six months periods ended June 30, 2024 and 2023:

		Quantity		
		granted	Contract	Vesting
Arrangement type	Grant date	(thousand)	period	conditions
Plan of employee	2019.11.26	3,000	5 years	Service of
stock options			-	2~4 years
A 11 C (Î 1		41 1 1 1	1 4	-

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

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

		For the six-months periods ended				
	_	June 30	, 20	024		
				Weighted		
		No. of units		average		
		(shares in	e	exercise price		
	_	thousands)		(in dollars)		
Options outstanding at beginning of period		1,218	\$	60.7		
Options exercised	(	559)		60.7		
Options outstanding at the end of period	_	659		60.7		
Options exercisable at the end of period	_	659				

		For the six-months periods ended June 30, 2023			
		No. of units (shares in thousands)		Weighted average xercise price (in dollars)	
Options outstanding at beginning of period	_	1,877	\$	63.1	
Options exercised	(	430)		63.1	
Options outstanding at the end of period		1,447		63.1	
Options exercisable at the end of period	_	806			

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

			2024/6/30			
Arrangement type	Authorized issue date	Maturity date	No. of units (shares in thousands)	Exercise pric (in dollars)	e	
Plan of employee stock options	2019.11.26	2024.11.25	659	\$ 60	0.7	

			2023/12/31			
			Number of			
	Authorized		shares	Exercise price		
Arrangement type	issue date	Maturity date	(in thousands)	(in dollars)		
Plan of employee stock options	2019.11.26	2024.11.25	1,218	\$ 60.7		
			202	3/6/30		
			Number of			
	Authorized		shares	Exercise price		
Arrangement type	issue date	Maturity date	(in thousands)	(in dollars)		
Plan of employee stock options	2019.11.26	2024.11.25	1,447	\$ 63.1		

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

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

(5) Expenses of share-based payment transaction:

	For the three-months periods ended June 30,						
	2024		2023				
Equity settlement	\$	- \$	598				
	For the six-mo	onths periods	ended June 30,				
	2024		2023				
Equity settlement	\$	- \$	1,195				

2. Subsidiary- ONYX HEALTHCARE INC. (ONYX)

(1) ONYX had the following share-based payment agreement active for the six-month period ended June 30, 2024, 2023.

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4 years
1

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

		For the six-month peri	nded June 30, 2024		
	_				Weighted average
	_	No. of units (shares in thousands)			exercise price (in dollars)
Options outstanding at beginning of period		625		\$	110.5
Adjustment of employee stock options	(	9	)		110.5
Options granted	(	3	)		-
Options outstanding at the end of period	_	613	_		110.5
Options exercisable at the end of period	_	396			

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

	For the six-month periods ended June 30, 202							
	No. of units (shares in thousands)		Weighted average exercise price (in dollars)					
Options outstanding at beginning of period	872	\$	114.7					
Adjustment of employee stock options	20		-					
Options granted (	27	)	114.7					
Options outstanding at the end of period	865	_						
Options exercisable at the end of period	433	_						

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

			2024/6/30					
			No. of units					
	Authorized		(shares in	Exercise price				
Arrangement type	issue date	Maturity date	thousands)	(in dollars)				
Plan of employee stock options	2020.08.06	2025.08.06	613	\$ 110.5				
			2023	3/12/31				
			No. of units					
	Authorized		(shares in	Exercise price				
Arrangement type	issue date	Maturity date	thousands)	(in dollars)				
Plan of employee stock options	2020.08.06	2025.08.06	625	\$ 110.5				
			2023	3/12/31				
			No. of units					
	Authorized		(shares in	Exercise price				
Arrangement type	issue date	Maturity date	thousands)	(in dollars)				
Plan of employee stock options	2020.08.06	2025.08.06	865	\$ 114.7				

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

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

(5) Expenses of share-based payment transaction:

	For the three-months periods ended June 30,							
	2	024	2023					
Equity settlement	\$	386	\$	897				
	For th	e six-months	periods end	ed June 30,				
	2	024	2023					
Equity settlement	\$	771	\$	1,795				
·/ 1								

#### (XVI)Share capital

1. As of June 30, 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 \$1,609,668, (including capital collected in advance \$760) divided into 160,966 thousand shares, each at par value of NT\$10 per share. Proceeds have been fully collected for the issued shares. All proceeds from shares issued have been collected.

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

	2024	2023		
1/1	160,407	149,225		
Employee stock options exercised	559	430		
Issuance of new shares in exchange for other company's shares	-	10,523		
6/30	160,966	160,178		

- 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 June 30, 2024, the Company 's associates IBASE owned 41,698 thousand of the Company'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 8,020,000 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, but the change has not yet been registered with the relevant authorities.

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 August 6, 2024, the issuance has not yet taken place

### (XVII) Capital surplus

Pursuant to the R.O.C. Company Law, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

							20	)24				
	Sha	are premium	c	ifference between consideration and carring amount of bsidiaries acquired or disposed	I	Recognition of changes in ownership interest in subsidiary	cc	Affiliate ompany net uity changes		mployee are 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 Subsidiaries Employee stock	-		<i>,</i>	-		142)		-	-		- (	142)
Employee stock options exercised Change in associates and		37,142		-		438		- (		8,801)	-	28,779
joint ventures accounted for under equity		-		-		-		5,447		-	-	5,447
method Share-based Payment		-		-		374		-		-	-	374
June 30	\$	5,654,071	\$	233,002	\$	240,676	\$	234,557	\$	11,241 \$	2,409 \$	6,375,956
					_			)23			<u></u>	´`
	Sha	are premium	c	ifference between consideration and carring amount of bsidiaries acquired or disposed	H	Recognition of changes in ownership interest in subsidiary	cc	Affiliate ompany net uity changes		mployee are option	Others	Total
January 1	\$	4,804,131	\$	233,002	\$	229,677	\$	164,713	\$	27,438 \$	2,409 \$	5,461,370
Employee stock options exercised Effect from long-term investment that has	Ψ	29,603	÷	-	Ŷ		Ŷ	- (		6,770)	_,,	22,833
not been recognized based on shareholding percentage Change in associates and		-		-		-	(	5)		-	- (	5)
joint ventures accounted for under equity method Issuance of new		-		-		-		2,794		-	-	2,794
shares in exchange for other company's shares Share-based		848,183		-				-		-	-	848,183
Payment		-		-		2,258		-		1,269	-	3,527
June 30	\$	5,681,917	\$	233,002	\$	231,935	\$	167,502	\$	21,937 \$	2,409 \$	6,338,702

### (XVIII) <u>Retained earnings</u>

- 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. The ratio of share dividend shall exceed 5% of distributable earnings. Surplus distribution can be in the form of cash or stock dividends. For the measurement of future capital requirements and capital structure, cash dividend shall not be less than 10% of the total amount of dividends in the future, and the actual distribution amount shall be adopted by resolution of the shareholders' meeting.
- 3. Unless losses have been covered or where legal reserve is distributed by the issuance of new shares or by cash in proportion to the shareholders' existing shareholding, the Company shall not make distributions out of legal reserve, of which only the portion of legal reserve which exceeds 25 percent of the paid-in capital may be distributed.
- 4. (1) For surplus distribution, the Company shall appropriate special reserve to the debit balance of other equity on the end of the reporting period. When the debit balance of other equity is reversed, the reversal amount can be included in distributable surplus.
  - (2) The amounts previously set aside by the Company as special reserve on initial application of IFRSs, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.
  - 5. The company 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:

	 202	23		_	2022					
		Div	vidend per			Dividend per				
		share	hare			share				
	 Amount	(in l	NT dollars)		Amount	(in NT c	lollars)			
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 distribution of earnings for the fiscal years 2023 and 2022 is consistent with the proposal made by the company's Board of Directors.

## (XIX) Operating income

	For the three-month periods ended June 30,								
		2024		2023					
Revenue from Contracts with Customers	\$	1,919,052	\$	2,056,104					
		For the six-month p	eriods ended June 30,						
		1 of the six-month p	citous cin	leu julie 30,					
		2024		2023					

1. Disaggregation of revenue from contracts with customers

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

For the three-month periods ended June 30, 2024	IPC			Medical PC		Total
Revenue from Contracts with Customers	\$	1,620,370	\$	298,682	9	5 1,919,052
Timing of revenue recognition						
At a point time		1,619,723		295,023		1,914,746
Over time		647		3,659		4,306
Total	\$	1,620,370	\$	298,682	9	\$ 1,919,052
For the six-month periods ended June 30, 2024		IPC		Medical PC		Total
Revenue from Contracts with Customers	\$	3,148,900	\$	572,655	9	3,721,555
Timing of revenue recognition						
At a point time		3,147,579		562,799		3,710,378
Over time		1,321		9,856		11,177
Total	\$	3,148,900	\$	572,655	9	3,721,555
For the three-month periods ended June 30, 2023		IPC		Medical PC		Total
Revenue from Contracts with Customers	\$	1,699,537	\$	356,567	9	\$ 2,056,104
Timing of revenue recognition						
At a point time	\$	1,699,097		348,760		2,047,857
Over time		440		7,807		8,247
Total	\$	1,699,537	\$	356,567	9	5 2,056,104

For the six-month periods							
ended June 30,2023		IPC	PC Medical PC			Total	
Revenue from Contracts with	\$	3 300 037	¢	684,005	¢	3,984,942	
Customers	\$ 3,300,937 \$		ф 	004,005	ф 	5,904,942	
Timing of revenue recognition							
At a point time	\$	3,299,995		670,951		3,970,946	
Over time		942		13,054		13,996	
Total	\$	3,300,937	\$	684,005	\$	3,984,942	

## 2. Contract liability

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

	2024/6/30		 2023/12/31	 2023/6/30	2023/1/1		
Contract Liability - Current:							
Advances from customers	\$	219,559	\$ 216,338	\$ 286,042	\$	244,311	
Warranty contract		8,872	9,226	10,259		10,900	
Contract Liability - Non-current:							
Advances from customers		41,443	44,848	42,954		54,939	
Warranty contract		15,966	13,838	15,151		18,486	
Total	\$	285,840	\$ 284,250	\$ 354,406	\$	328,636	

(2) Recognized income of contract liabilities at January 1

		2							
	For	For the three-month periods ended							
		2024	2023						
Beginning balance of contract liabilities Recognized income									
Advances from customers	\$	28,642 \$	42,447						
Warranty contract		2,311	2,656						
Total	\$	30,953 \$	45,103						

	For t	For the six-month periods ended June 30,						
		2024	_	2023				
Beginning balance of contract liabilities Recognized income								
Advances from customers	\$	105,400	\$	132,053				
Warranty contract		4,885		5,525				
Total	\$	110,285	\$	137,578				

## (XX) <u>Other income</u>

$(\Lambda\Lambda)$					
		F	For the three-month p	periods er	
	Rental income	\$	2024	\$	2023
	Dividend income	Φ	5,223 12,343	Φ	5,505
	Dividend income	<u></u>	<u> </u>	¢	9,831
		\$	17,566	\$	15,336
			For the six-month pe	eriods end	
		<u></u>	2024	<u></u>	2023
	Rental income	\$	9,770	\$	10,683
	Dividends income		12,343		9,831
		\$	22,113	\$	20,514
(XXI) <u>O</u>	ther gains and losses				1 1 1
			For the three-month	periods e	
	Net loss from financial assets and		2024		2023
	liabilities at fair value through profit or loss	(\$	17,835)	\$	54,303
	Gain on foreign currency exchange		42,290		55,860
	Losses on disposal of property, plant and equipment Depreciation on investment property, buildings. loss on lease modification		129)(	(	640)
			2,261)(	(	1,349)
			12)		-
	Government subsidy Other income		2,392		330
		<u></u>	18,344	<u>ф</u>	4,835
		\$	45,789	\$	113,339
			For the six-month p	periods en	
	Net loss from financial assets and		2024		2023
	liabilities at fair value through profit or loss	\$	220,058	\$	143,731
	Gain on foreign currency exchange Losses on disposal of property,		173,480		41,580
	plant and equipment	(	723)(	(	2,354)
	Depreciation on investment				
	property, buildings.	(	3,821)(	(	3,146)
	Gain on lease modification		542		24
	Government subsidy		5,880		531
	Other income		26,385		25,134
		\$	421,801	\$	205,500

# (XXII) Financial costs

	For the three-month periods ended June 30,						
		2024		2023			
Interest expenses	\$	730	\$	700			
Leased liabilities interest expenses		1,196		662			
	\$	1,926	\$	1,362			

	For the six-month periods ended June 30						
		2024		;			
Interest expenses	\$	1,431	\$	1,359			
Leased liabilities interest expenses		2,275		1,344			
	\$	3,706 5	\$	2,703			

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

		For the three-month periods ended June 30,									
				2024			2023				
	Operating cost			Operating expense		Total		Operating cost		Operating expense	Total
Employee benefits expenses	\$	91,443	\$	336,081	\$	427,524	\$	89,538	\$	313,671 \$	403,209
Depreciation expense		13,186		23,034		36,220		12,318		18,333	30,651
Amortization expenses		274		22,880		23,154		68		15,579	15,647

	For the six-month periods ended June 30,											
	2024						2023					
	Operating cost			Operating expense Total		Operating cost		Operating expense			Total	
Employee benefits expenses	\$	182,995	\$	672,482	\$	855,477	\$	168,484	\$	579,940	\$	748,424
Depreciation expense		27,656		46,247		73,903		22,473		31,586		54,059
Amortization expenses		362		44,783		45,145		93		18,435		18,528

## (XXIV)Employee benefit expenses

	For the three-month periods ended June 30,					
	2024		2023			
Salaries and wages	\$	380,066	\$ 362,2	22		
Labor and health insurance fees		28,753	24,7	37		
Pension costs		14,485	12,0	07		
Other personnel expenses		4,220	4,2	43		
	\$	427,524	\$ 403,2	.09		

	For the six-month periods ended June 30,				
		2024		2023	
Salaries and wages	\$	758,302	\$	667,575	
Labor and health insurance fees		58,538		48,571	
Pension costs		28,645		23,331	
Other personnel expenses		9,992		8,947	
	\$	855,477	\$	748,424	

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- 1. According to the Articles of Incorporation of the Company, the Company accrued employees' compensation at rates of no less than 5% and remuneration of directors and supervisors at rates of no higher than 1%, of the remaining profit after deducting accumulated losses.
- 2. For the three months periods ended June 30, 2024 and 2023, and for the six months periods ended June 30, 2024 and 2023, based on the percentage stipulated in the Articles of Incorporation, employee compensation were estimated at \$22,698, \$28,106, \$52,554 and \$53,655, respectively, while the remuneration of directors were estimated at \$2,397, \$1,579, \$6,015 and \$3,202, respectively, which are recognized as salaries and wages.

Amounts for the period January 1 to June 30, 2024, were estimated based on profitability at the time and the percentages stipulated in Articles of Incorporation.

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 2023 financial statements., which were \$97,518 and \$7,200, respectively. Employees' compensation is intended to be paid in cash, but no actual payment has been made.

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

#### (XXV) Income tax

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

	For the three-month periods ended June 3					
		2024	_	2023		
Current tax:						
Current tax on profits for the period	\$	65,073	\$	56,677		
Surtax on undistributed Retained Earnings		446		19,193		
Adjustments in respect of prior period	(	5,753)	(	4,245)		
Total current income tax		59,766		71,625		
Deferred tax						
Origination and reversal of temporary differences		2,585		24,573		
Income tax expense	\$	62,351	\$	96,198		

2023 106,931 19,193
19,193
4,245)
121,879
27,217
149,096
ended June 30, 2023
1,302)
ended June 30,
2023
1,402)
ve been assessed and
Certification
2022
2021
nded June 30,2024
ge Losses per
es share (in dollars)
(in domat)
<u>\$ 1.97</u>
21
21
<u>997</u>

	For the th	ree-month periods ende	
	Amount after-tax	Weighted average outstanding shares (in thousand)	Losses per share (in dollars)
Basic (diluted) earnings per share Profit attributable to ordinary shareholders of parent company Diluted earnings per share	<u>\$ 320,27</u>	<u>9</u> 115,296	<u>\$ 2.77</u>
Dilutive effect of potential ordinary shares Employee stock options Employees' bonuses Profit attributable to ordinary		543 445	
shareholders of parent company plus assumed conversion of all dilutive potential ordinary shares	\$ 320,27	9116,284	<u>\$ 2.75</u>
	For the s	ix-month periods ended	
	Amount after-tax	Weighted average outstanding shares (in thousand)	Losses per share (in dollars)
Basic (diluted) earnings per share			
Profit attributable to ordinary shareholders of parent company <u>Diluted earnings per share</u> Dilutive effect of potential	<u>\$ 664,71</u> 2	2 119,076	<u>\$ 5.58</u>
ordinary shares Employee stock options Employees' bonuses Profit attributable to ordinary		416 490	
shareholders of parent company plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 664,71</u> 2	2119,982	<u>\$ 5.54</u>

	For the six-month periods ended June 30, 2023					
Basic (diluted) earnings per share	Amount after-tax	Weighted average outstanding shares (in thousand)	Losses per share (in dollars)			
Profit attributable to ordinary shareholders of parent company <u>Diluted earnings per share</u> Dilutive effect of potential	<u>\$ 629,156</u>	111,507	<u>\$ 5.64</u>			
ordinary shares Employee stock options		476				
Employees' bonuses		855				
Profit attributable to ordinary						
shareholders of parent company plus assumed conversion of all dilutive potential ordinary shares	\$ 629,156	112,838	\$ 5.58			
I J		,				

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 capital increase through the issuance of new shares from capital surplus, as approved by the shareholders' meeting on May 29, 2024, has a capital increase record date set for September 3, 2024. If the effect of this bonus share issuance on earnings per share is retrospectively adjusted, the pro-forma information is as follows,

	For the three-month periods ended June 30,2024					
	Retrospective					
			adjustment of	Loss	es per	
	1	Amount	outstanding shares	sh	are	
	2	fter-tax	(in thousand)	(in d	ollars)	
Basic (diluted) earnings per share						
Profit attributable to ordinary						
shareholders of parent company	\$	235,440	125,155	\$	1.88	
Diluted earnings per share						
Dilutive effect of potential						
ordinary shares						
Employee stock options			442			
Employees' bonuses			312			
Profit attributable to ordinary						
shareholders of parent company plus						
assumed conversion of all dilutive						
potential ordinary shares	\$	235,440	125,909	<u>\$</u>	1.87	

	For the t	hree-month periods ended J	une 30,2023
	Amount after-tax	Retrospective adjustment of outstanding shares (in thousand)	Losses per share (in dollars)
Basic (diluted) earnings per share			
Profit attributable to ordinary shareholders of parent company <u>Diluted earnings per share</u>	\$ 320,279	120,041	\$ 2.65
Dilutive effect of potential ordinary shares			
Employee stock options		570	
Employees' bonuses Profit attributable to ordinary shareholders of parent company plus assumed conversion		467_	
of all dilutive potential ordinary shares	\$ 320,279	122,078	<u>\$ 2.62</u>
	For the	six-month periods ended Ju	ne 30, 2024
	Amount	Retrospective adjustment of outstanding shares (in	Losses per share
Basic (diluted) earnings per share	after-tax	thousand)	(in dollars)
Profit attributable to ordinary shareholders of parent company Diluted earnings per share	<u>\$ 664,712</u>	125,009	<u>\$ 5.32</u>
Dilutive effect of potential ordinary shares			
Employee stock options Employees' bonuses		437 514	
Profit attributable to ordinary shareholders of parent company plus assumed conversion			
of all dilutive potential ordinary shares	\$ 664,712	125,960	\$ 5.28
	For the	six-month periods ended Ju	ne 30, 2023
		Retrospective adjustment of	
	Amount after-tax	outstanding shares (in thousand)	Losses per share (in dollars)
Basic (diluted) earnings per share			
Profit attributable to ordinary shareholders of parent company <u>Diluted earnings per share</u>	\$ 629,156	117,063	\$ 5.37
Dilutive effect of potential ordinary shares			
Employee stock options		500	
Employees' bonuses Profit attributable to ordinary shareholders		614	
of parent company plus assumed conversion of all dilutive potential ordinary shares	\$ 629,156	118,177	\$ 5.32

#### (XXVII)Business combinations

- 1. On April 28, 2023, the Company increased its capital by issuing 10,523 thousand common shares in exchange for 26,308 thousand common shares held by 11 shareholders of JETWAY. Consequently, AAEON acquired a total of 35.27% of the shares of JETWAY including 0.19% equity interest held by the Company before the combination, and became the single largest shareholder of the company.Considering the participation of other shareholders' meetings, which indicated that the Group has substantial capability to lead relative activities and control over the company, JETWAY was included in the Group's consolidated financial statements from the acquisition date. The Group expects to expand the operating scale of both parties and improve the overall operating performance through the integration of corporate resources.
- 2. On the acquisition date, the consideration paid for JETWAY, the fair value of identified assets and liabilities, non-controlling interests in the identified net assets of the acquiree.

Acquisition consideration		2023/4/28
Equity instrument	\$	953,416
Fair value of equity interest held by the Company before the acquisition date		4,949
Non-controlling interests in the identified net assets of the acquiree		1,383,476
		2,341,841
The fair value of identified assets and liabilities		
Cash		758,967
Financial assets measured at amortized cost-current		130,740
Accounts receivable		76,993
Other receivables		1,490
Current tax assets		51
Inventories		373,626
Prepayments		20,050
Other current assets		2,453
Property, plant and equipment		646,332
Right-of-use assets		67,528
Intangible assets		536,886
Deferred tax assets		31,345
Other non-current assets		10,418
Contract liability - current	(	41,858)
Accounts payables and Notes payables	(	117,337)
Other payables	(	102,917)
Current tax liabilities	(	34,942)
Provisions - current	(	15,396)

Lease liability	(	25,883)
Other current liabilities - other	(	1,915)
Deferred tax liabilities	(	166,907)
Other non-current liabilities	(	12,273)
Total value of indentified net assets		2,137,451
Goodwill	\$	204,390

- 3. The fair value totaling \$953,416 of 10,523 thousand shares of the Company's ordinary shares issued as part of the consideration paid for JETWAY was based on the published share price on April 28, 2023.
- 4. The Group had 0.19% equity interest in JETWAY before the combination, and recognized a gain on disposal of investments of \$118 as a result of remeasuring at fair value.

### (XXVIII)Supplemental cash flow information

1. Investing activities with partial cash payments:

	For the six-month periods ended June 30,			ended June 30,
		2024		2023
Acquisition of property, plant and equipment	\$	28,017	\$	89,982
Add : Opening balance of payable on equipment		2,817		4,322
Less : Endiing balance of payable on equipement	(	9,735)	(	8,312)
Cash paid during the period	\$	21,099	\$	86,002
2. Non-cash flow from investing activities:				
	For	the six-month pe	eriods o	ended June 30,
		2024		2023
Declared cash dividends not yet paid from Investments accounted for under equity method	\$	52,317	\$	48,801
3. Non-cash flow from financing activities:				
	For	the six-month pe	eriods e	ended June 30,
		2024		2023
Cash dividends	\$	1,226,013	\$	952,547

	_				202	4		
		ort-term rrowings	bo (i	ong-term prrowings ncluding current portion)		Lease liability		Total
January 1	\$	27,000	\$	144,975	\$	148,437	\$	320,412
Changes in cash flow from financing		-	(	5,193)	(	31,502)	(	36,695)
Effect on changes in exchange rate		-		-		2,052		2,052
Changes in others without cash flow		-		-		70,963		70,963
Cash paid during the period	\$	27,000	\$	139,782	\$	189,950	\$	356,732
			Т	ong-term	202	3		

## (XIX) <u>Changes in liabilities arising from financing activities</u>

	2023					
		Long-term borrowings				
	Shout town	(including	Lease			
	Short-term borrowings	current portion)	liability	Total		
January 1	\$ -	\$ 155,286 \$	123,174 \$	278,460		
Changes in cash flow from financing	-	( 5,146)(	24,748)(	28,894)		
Effect on changes in exchange rate	-	-	858	858		
Effects due to changes in consolidated entities	-	-	25,883	25,883		
Changes in others without cash flow	_		31,350	31,350		
Cash paid during the period	\$ -	\$ 150,140 \$	156,517 \$	306,657		

### VII. <u>Related party transaction</u>

(I) Parent and ultimate controlling party

The Cmpany is controlled by ASUSTEK COMPUTER INC. (incorporated in R.O.C.), the ultimate parent of the Company with 37.57% 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.
IBASE (SHANGHAI) TECHNOLOGY INC.	Associate - Subsidiary of IBASE TECHNOLOGY INC.
LITEMAX ELECTRONICS INC.	Associate - Investee accounted for under the equity method
WINMATE INC.	Associate - Investee accounted for under the equity method by the Company's subsidiary
PROTECTLIFE INTERNATIONAL BIOMEDICAL INC.	Associate - Investee accounted for under the equity method by the Company's subsidiary (Note)
ATECH OEM INC.	Other related party - the Company's Chairman as a director
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
EVERFOCUS ELECTRONICS CORP. YAN XIN INVESTMENT Co., Ltd. AAEON EDUCATION FOUNDATION	Other related party - the Company's Chairman as EVERFOCUS ELECTRONICS CORP's Chairman Other related party - the Company's Chairman as YAN XIN INVESTMENT Co., Ltd.'s Chairman Other related party - the Company's Chairman as a director
WT MICROELECTRONICS CO.	Other related party - Investee accounted for under the equity method by the Company's Fellow subsidiary
TECHMOSA INTERNATIONAL INC.	Other related party - Investee accounted for under the equity method by the Company's Fellow subsidiary
MORRIHAN INTERNATIONAL CORP.	Other related party - Investee accounted for under the equity method by the Company's Fellow subsidiary
NUVISION TECHNOLOGY, INC.	Other related party - Investee accounted for under the equity method by the Company's Fellow subsidiary
MAXTEK TECHNOLOGY	Other related party - Investee accounted for under the equity
CO., LTD.	method by the Company's Fellow subsidiary
SPARK TECHNOLOGIES	Other related party - the Company's Chairman is spouse of
INC. LYDS THCH.	SPARK TECHNOLOGIES INC.'s Chairman Other related party - the Company's Chairman is spouse of
MEDALLIANCE INC.	LYDS TECHNOLOGIES INC.'s Chairman Other related party - the Company's Chairman Other related party - the Company's Chairman is first degree relative of MEDALLIANCE INC.'s Chairman

FU-YANG INVESTMENT	Other related party - the Company's Chairman is spouse of
INC.	FU-YANG INVESTMENT INC.'s Chairman
JUI HAI INVESTMENT Co.,	Other related party - the Company's Chairman is spouse of
Ltd.	JUI HAI INVESTMENT Co., Ltd.'s Chairman
HUA-CHENG VENTURE	Fellow subsidiary – same as ultimate parent entity
CAPITAL CORP.	
HUA-MIN INVESTMENT	Fellow subsidiary – same as ultimate parent entity
CO.,LTD.	
ASUS GLOBAL PTE. LTD	Fellow subsidiary – same as ultimate parent entity
MEDUS TECHNOLOGY INC.	Fellow subsidiary – same as ultimate parent entity
Note: PROTECTLIFE INTERN	ATIONAL BIOMEDICAL INC. is the affiliate company of the
Group form February 2023.	

#### (III) Significant transactions and balances with related parties

1. Operating income

	For the	For the three-month per			
		2024		2023	
Sales of goods					
Ultimate parent entity	\$	569	\$	7,461	
Associates		3,393		642	
Other related party		21,776		1,763	
	\$	25,738	\$	9,866	
		ne six-month per 2024		2023	
Sales of goods		2024		2023	
Ultimate parent entity	\$	569	\$	11,051	
Associates		7,130		3,366	
		31,883			
Other related party		51,005		3,265	
Other related party	\$	39,582	\$	3,265 17,682	

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

#### 2. Purchases

	For the three-month periods ended June 30,				
	2024			2023	
Goods purchased					
Ultimate parent entity	\$	223,571	\$	124,468	
Associates		7,212		10,292	
Fellow subsidiary		-		2,676	
Other related party		25,812		36,345	
	\$	256,595	\$	173,781	
	For the six-month periods ended June 30,				
		2024		2023	
Goods purchased					
Ultimate parent entity	\$	395,552	\$	336,271	
Associates		22,486		20,809	
Fellow subsidiary		2,795		2,676	
Other related party		55,030		80,443	
Total	\$	475,863	\$	440,199	

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

3. Operating expenses

	For the	e three-month p	eriods en	ded June 30,	
		2023			
Ultimate parent entity	\$	20,772	\$	19,653	
Associates	(	45 )	)	345	
Fellow subsidiary		11		-	
Other related party		211		1,038	
	\$	20,949	\$	21,036	
	For the	ne six-month pe	riods end	led June 30,	
		2024		2023	
Ultimate parent entity	\$	39,859	\$	41,290	
Associates		152		444	
Fellow subsidiary		46		-	
Other related party		4,904		3,080	
	\$	44,961	\$	44,814	

(1) The above operating expenses mainly comprised technical service fees, and were presented as operating expenses - R&D expense.

(2) The above operating expenses include the amount donated by the Company to other related parties. The donation amount for the six-month periods ended June 30, 2024 and the three-month periods ended June 30, 2024 and 2023 were \$0, \$1,000, \$4,000 and \$3,000, respectively, aimed at promoting technology education and humanistic development, fulfilling corporate social responsibility, and enhancing the corporate image in public welfare.

4. Accounts receivable

	 2024/6/30	 2023/12/31	 2023/6/30
Other accounts receivable			
Ultimate parent entity	\$ 569	\$ 90	\$ -
Affiliate company	1,090	803	3,241
Other related party	8,546	35,787	161
	\$ 10,205	\$ 36,680	\$ 3,402
Other accounts receivable			
	 2024/6/30	 2023/12/31	 2023/6/30
Other accounts receivable			
Affiliate company			
-LITEMAX ELECTRONICS INC.	\$ 319	\$ 319	\$ 318
-WINMATE INC.	52,317	-	48,801
Other related party			
MACHVISION, INC.	7,082	-	9,591
Others	-	-	100
	\$ 59,718	\$ 319	\$ 58,810

As the six-month periods ended June 30, 2024 and 2023, mainly comprised dividends receivable.

5. Payables from related parties

	 2024/6/30	 2023/12/31	 2023/6/30
Accounts Payable			
Ultimate parent entity	\$ 148,517	\$ 52,099	\$ 34,304
Associates	2,871	4,683	4,029
Other related party	20,595	13,159	12,200
	\$ 171,983	\$ 69,941	\$ 50,533

6. Other payables

	 2024/6/30	 2023/12/31	 2023/6/30
Ultimate parent entity	\$ 332,114	\$ 37,691	\$ 252,341
Associates			
-IBASE	271,040	-	194,365
-Other	12	19	5
Fellow subsidiary	110,501	-	79,728
Other related party	31,407	128	21,197
	\$ 745,074	\$ 37,838	\$ 547,636

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

7. Assets transaction

(1) Acquision of Property, plant and eq	uipi	nem					
	F	For the	three-month	perio	ds end	ed June 3	О,
			2024			2023	
Other related party	\$			\$			184
(2) Acquision of intangible assets							
		For the	e six-month p	eriod	s ende	d June 30	,
			2024			2023	
Fellow subsidiary	\$		1,851	\$			-
(IV) Key management remuneration							
		For t	he three-mor	th pe	riods e	ended Jun	e 30,
			2024			2023	
Wages and other short-term employee ben	efits	\$	14	,479	\$	1	1,615
Post-employment benefits				545			406
Share-based payment				189			568
		\$	15	,213	\$	12	2,589
		For	the six-mont	h per	iods ei	nded June	30,
			2024			2023	
Wages and other short-term employee ben	efits	\$	40	,755	\$	42	2,861

### (1) Acquision of Property, plant and equipment

Wages and other short-term employee benefits40,755Post-employment benefits1,072Share-based payment377\$ 42,204 \$

744

1,068

44,673

## VIII. Pledged Assets

The Company's pledged assets are summarized below:

				Book value			
Pledged assets		2024/6/30		2023/12/31		2023/6/30	Guarantee purpose
Land, building							
(Property, Plant and	\$	698,154	\$	691,968	\$	697,424	Loans and credit limits
Equipment and investment	*		*		*		
property) Restricted time deposit							Foreign exchange
(other current assets)		33,423		31,626		934	Foreign exchange forward transactions,
Guarantee deposits							
(including		15 729		14 512		14 650	Office, warehouse
Other current and		15,738		14,512		14,659	deposit and project guarantee deposit.
non-current assets)					_		guarantee deposit.
	\$	747,315	\$	738,106	\$	713,017	
			_		_		

## IX. Material Contingent Liabilities and Unrecognized Contractual Commitments

(I) <u>Contingencies</u>

None.

(II) <u>Commitments</u>

As of June 30, 2024, the Group has issued a promissory note of \$ 450,000 required for the application a comprehensive credit line and transactions of derivatives.

X. Losses Due to Major Disasters

None.

XI. Material Subsequent Events

None.

## XII. Others

(1) Capital management

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

## (2) Financial instrument

## 1. Type of financial instrument

	 2024/6/30	 2023/12/31	 2023/6/30
Financial asset			
Financial assets at fair value throuth profit or loss Financial assets mandatorily			
measured at fair value through profit or loss Financial assets at fair value through other comprehensive income	\$ 700,033	\$ 485,915	\$ 498,846
Designation of equity instrument	145,118	68,756	2,381
Financial assets at amoritized cost/ loans and receivables			
Cash and cash equivalents	5,196,915	4,347,976	3,987,645
Financial assets measured at amortized cost-current	183,020	62,331	68,740
Notes receivable	18,833	13,400	13,502
Accounts receivable	910,088	919,566	1,055,613
Other receivables	86,209	17,377	76,931
Restricted time deposit (including other current assets) Refundable deposits (including	-	-	934
Other current and non-current assets)	15,738	14,512	14,659
	\$ 7,255,954	\$ 5,929,833	\$ 5,719,251
<u>Financial liability</u> Financial liabilities at fair value throuth profit or loss			
Financial liability held for trading	\$ -	\$ -	\$ 457
Financial liabilities at amortized cost			
Short-term borrowings	27,000	27,000	-
Notes payable	8	2	347
Accounts payable (including related parties)	754,789	522,666	406,470
Other payables	1,991,954	672,350	1,620,221
Long-term borrowings (including current portion)	139,782	144,975	150,140
	\$ 2,913,533	\$ 1,366,993	\$ 2,177,635
Lease liabilities (including current and non-current)	\$ 189,950	\$ 148,437	\$ 156,517

2. Risk management policy

The Group adopts a comprehensive risk management system for the management to clearly

identify, measure and control all risks to achieve effective control and measurement.

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

(1) Interest rate risk:

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

(2) Exchange rate risk:

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

(3) Credit risk:

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

- 3. The nature and level of material financial risks
  - (1) Market risk

Exchange rate risk

- A. The Group's international operations have been subject to exchange rate risks arise from transactions denominated in a currency other than the functional currencies of the Company and its subsidiaries, which includes main currencies such as USD, SGD, EUR and RMB. Related exchange rate risks arise from future business transactions and recognized assets and liabilities.
- B. The 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 Group's businesses involves certain non-functional currencies (NTD is the functional currency of the Company and other certain subsidiaries' functional currency is USD, SGD, and CNY), it may be affected by exchange rate fluctuations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

			2024/6/30	
	-	Foreign currency (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)	-			
Financial asset				
Monetary items				
USD:NTD	\$	108,999	32.45 \$	3,537,018
EUR:NTD		1,533	34.71	53,210
USD:CNY		104	7.30	3,375
USD:SGD		263	1.36	8,534
Financial liability				
Monetary items				
USD:NTD	\$	17,210	32.45	558,465
EUR:NTD		11	34.71	382
USD:CNY		1,150	7.30	37,318
USD:SGD		673	1.36	21,839
			// - /- /	
	-		2023/12/31	
	-	Foreign currency (in thousands)	2023/12/31 Exchange rate	Book value (NTD)
(Foreign currency: functional currency)	-			
	-			
functional currency)	-			
functional currency) Financial asset	\$			
functional currency) <u>Financial asset</u> <u>Monetary items</u>	\$	(in thousands)	Exchange rate	(NTD)
functional currency) <u>Financial asset</u> <u>Monetary items</u> USD:NTD	\$	(in thousands)	Exchange rate	(NTD) 3,345,087
functional currency) <u>Financial asset</u> <u>Monetary items</u> USD:NTD EUR:NTD	\$	(in thousands)	Exchange rate 30.71 \$ 33.98	(NTD) 3,345,087 35,611
functional currency) <u>Financial asset</u> <u>Monetary items</u> USD:NTD EUR:NTD USD:CNY	\$	(in thousands) 108,925 1,048 169	Exchange rate 30.71 \$ 33.98 7.10	(NTD) 3,345,087 35,611 5,190
functional currency) <u>Financial asset</u> <u>Monetary items</u> USD:NTD EUR:NTD USD:CNY USD:SGD	\$	(in thousands) 108,925 1,048 169	Exchange rate 30.71 \$ 33.98 7.10	(NTD) 3,345,087 35,611 5,190
functional currency) <u>Financial asset</u> <u>Monetary items</u> USD:NTD EUR:NTD USD:CNY USD:SGD <u>Financial liability</u>	\$	(in thousands) 108,925 1,048 169	Exchange rate 30.71 \$ 33.98 7.10	(NTD) 3,345,087 35,611 5,190
functional currency) <u>Financial asset</u> <u>Monetary items</u> USD:NTD EUR:NTD USD:CNY USD:SGD <u>Financial liability</u> <u>Monetary items</u>		(in thousands) 108,925 1,048 169 587	Exchange rate 30.71 \$ 33.98 7.10 1.32	(NTD) 3,345,087 35,611 5,190 18,027
functional currency) <u>Financial asset</u> <u>Monetary items</u> USD:NTD EUR:NTD USD:CNY USD:SGD <u>Financial liability</u> <u>Monetary items</u> USD:NTD		(in thousands) 108,925 1,048 169 587 11,799	Exchange rate 30.71 \$ 33.98 7.10 1.32 30.71 \$	(NTD) 3,345,087 35,611 5,190 18,027 362,347
functional currency) <u>Financial asset</u> <u>Monetary items</u> USD:NTD EUR:NTD USD:CNY USD:SGD <u>Financial liability</u> <u>Monetary items</u> USD:NTD EUR:NTD		(in thousands) 108,925 1,048 169 587 11,799 7	Exchange rate 30.71 \$ 33.98 7.10 1.32 30.71 \$ 33.98	(NTD) 3,345,087 35,611 5,190 18,027 362,347 238

			2023/6/30	
	_	Foreign currency		Book value
	_	(in thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)				
Financial asset				
Monetary items				
USD:NTD	\$	86,352	31.14	\$ 2,689,001
EUR:NTD		285	33.81	9,636
USD:CNY		8	4.28	249
USD:SGD		45	22.96	1,401
Financial liability				
Monetary items				
USD:NTD	\$	8,508	31.14	\$ 264,939
USD:CNY		944	4.28	29,396
USD:SGD		37	22.96	1,152

- D. The overall realized and unrealized foreign exchange gains and losses of the Group's monetary items that may be significantly affected by exchange rate fluctuations for the three months periods ended June 30, 2024 and 2023, and the six months periods ended June 30, 2024 and 2023, amounted to \$45,290, \$55,860, \$173,480 and \$41,580, respectively.
- E. The Group's foreign currency risk analysis due to significant foreign exchange rate fluctuations is as follows:

	For the	For the six-month periods ended June 30,2023 Sensitivity analysis										
	Extent of change	f	Effect on income	Effect on other comprehensive income								
(Foreign currency:												
functional currency)												
Financial asset												
Monetary items												
USD:NTD	1%	\$	35,370 \$	-								
EUR:NTD	1%		532	-								
USD:CNY	1%		34	-								
USD:SGD	1%		85	-								
<u>Financial liability</u>												
Monetary items												
USD:NTD	1%	\$	5,585 \$	-								
EUR:NTD	1%		4									
USD:CNY	1%		373	-								
USD:SGD	1%		218	-								

	For the	e six	x-month periods ended	1 June 30,2023
			Sensitivity analysi	S
	Extent of change	f	Effect on income	Effect on other comprehensive income
(Foreign currency:	U			
functional currency)				
Financial asset				
Monetary items				
USD:NTD	1%	\$	26,890 \$	-
EUR:NTD	1%		96	-
USD:CNY	1%		2	-
USD:SGD	1%		14	-
<u>Financial liability</u>				
Monetary items				
USD:NTD	1%	\$	2,649 \$	-
USD:CNY	1%		294	-
USD:SGD	1%		12	-

### Price risk

- A. The Group's equity instruments, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity instruments, the Group diversifies its porfolio. Diversification of the portifolio is done in accordance with the limits set by the Group.
- B. The Group mainly invests in equity instruments and open-end funds issued by domestic companies. The value of equity instruments is susceptible to market price risk arising from uncertainties about future performance of equity markets. Assuming a hypothetical increase or decrease of 1% in the price of the aforementioned financial assets at fair value through profit or loss while the other conditions remain unchanged could increase or decrease net income for the six-month periods ended June 30, 2024 and 2023 by \$5,404 and \$3,439, respectively. A change of 1% in the price of the aforementioned financial assets at fair value through other comprehensive income could increase or decrease the Group's other comprehensive income for the six-month periods ended June 30, 2024 and 2023, amounted to \$1,451 and \$24.

#### Cash flow and fair value interest rate risk

- A. The Group's interest rate risk arises mainly from long-term and short-term borrowings issued at variable rates, which exposes the Group to cash flow interest rate risk is partially offet by by cash and cash equivalents held at variable rates. During the six months periods ended June 30, 2024 and 2023, the Group's borrowings at variable rate were mainly denominated in NTD.
- B. Assuming all other factors remain unchanged, if the NTD borrowing rate rises or falls by 0.25%, net income for the six months period ended June 30, 2024 and 2023 will decrease or increase by \$167 and \$150 respectively, mainly due to changes in interest expenses that arise from floating rate borrowings.

#### (2)Credit risk

- A. The Group's credit risk refers to the risk that the counterparty to a financial instrument will cause a financial loss for the Group by failing to discharge its obligation under the contract, which is mainly due to the inability of counterparties to meet the terms of their contracts for collecting the cash flows of the receivables.
- B. The Group establishes credit risk policies based on its own risk management perspective. In accordance with internal credit policies, credit risks are required to be managed and analyzed before each of the Group's operating entity set up the terms and conditions for payment and delivery for each new customer. The internal risk control system evaluates the customers' credit quality based on their financial conditions, past experience and other factors. Individual risk exposure limits are set by the board of directors based on internal or external risk ratings, and credit lines are monitored on a regular basis.
- C. The Group adopts IFRS 9 to provide a presumption that default has occurred when contractual payments are more than 90 days past due.
- D. The Group adopts IFRS 9 to provide the following presumption as basis for judging whether the credit risk on a financial instrument has increased significantly since the initial recognition:

It is deemed that credit risk after the original recognition of financial assets has increased significantly when contractual payments are more than 30 days past due.

- E. The customers' accounts receivable are segmented based on customer type. A simplified loss rate approach is used for ECL measurement based on the provision matrix.
- F. The Group has written off the recoverable amount of financial assets that could not reasonably be estimated after recourse, but will continue to pursue recourse to preserve its rights. As of June 30, 2024, December 31, 2023 and June 30, 2023, the Group had no recourse on claims that had been written off.
- G. (1) Expected loss rate for customers of the outstanding credit group is estimated at 0.2%. Total accounts receivable and loss provisions for this group of customers were reported at: \$154,556 and \$309 as of June 30, 2024, \$169,182 and \$337 as of December 31, 2023, and \$370,428 and \$458 as of June 30, 2023, respectively.
  - (2) The Group considers the world economic outlook and future prospects when adjusting the loss rate that is set up based on historical and current loss period information, in order to estimate the loss of notes receivables and allowance for doubtful accounts of customers with general credit quality. The provision matrix as of June 30, 2024, December 31, 2023 and June 30, 2023 is as follows:

	_	Not yet due		Past due within 30 days		Past due 30 days	Past due 60 days		Past due 90 days		Past due 120 days	Total
2024/6/30												
Expected loss rate		0.02%~1.58%		0.03%~8.42%		0.03%~15.63%	0.03%~45.15%		50%~100%		100%	
Total book value	\$	645,116	\$	98,124	\$	10,803	\$ 5,355	\$	105	\$	16,877	\$ 785,380
Loss allowance	\$	1,573	\$	1,459	\$	569	\$ 328	\$	105	\$	16,877	\$ 20,911
	_		_	Past due within	-	Past due	Past due	-	Past due	-	Past due	
	_	Not yet due	_	Past due within 30 days		Past due 30 days	Past due 60 days	_	Past due 90 days		Past due 120 days	Total
2023/12/31	-	Not yet due	_									Total
2023/12/31 Expected loss rate	-	Not yet due 0%~1.58%	_									Total
	\$		\$	30 days	\$	<u>30 days</u> 0%~15.63%	\$ <u>60 days</u> 0%~45.15%	\$	90 days	\$	120 days	\$ Total 746,968

	-			Past due within 30 days	Past due 30 days			Past due 60 days	_	Past due 90 days		Past due 120 days		Total	
2023/6/30															
Expected loss rate	-	0%~1.30%		0%~7.71%		$0.03\% \sim 14.48\%$		0.03%~44.38%		0.03%~100%		100%			
Total book value	\$	585,088	\$	92,823	\$	13,062	\$	7,193	\$	2,553	\$	15,280	\$	715,999	
Loss allowance	\$	1,259	\$	969	\$	723	\$	792	\$	1,233	\$	15,280	\$	20,256	
					_								_		

(3) The total book values of the accounts receivable-related parties as of June 30, 2024, December 31, 2023 and June 30, 2023 were \$10,205, \$36,680 and \$3,402, respectively. The expected credit loss is not significant thanks to low credit risk, which lead to a loss allowance of \$0.

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

	Notes and accounts receivable (including related parties)						
		2024		2023			
January 1	\$	19,864	\$	21,597			
Write off (reversal) of impairment loss		823	(	1,113)			
Net exchange differences		533	(	273)			
Effects due to changes in consolidated entities		-		503			
June 30	\$	21,220	\$	20,714			

From the loss recognized for the six months periods ended June 30, 2024 and 2023, the impairment reversal losses for accounts receivable arising from customer contracts were \$823 and (\$1,113), respectively.

I The financial assets held by the group, measured at amortized cost, consist of bank deposits with original maturities exceeding 3 months and restricted bank deposits. There are no significant abnormalities in credit risk ratings, and no significant expected credit losses are anticipated.

### (3) Liquidity risk

- A. Cash flow is forecasted by each of the Group's operating entity and summarized by the finance department. The Group's finance department monitors liquidity forecasting to ensure that it has sufficient funds to meet the operational requirements.
- B. The Group had available borrowing limits of \$1,390,089, \$1,537,284 and \$1,499,494 as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively.
- C. The table below analyzes the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date, whereas derivative financial liabilities are analyzed based on the remaining period at the balance sheet date to the expected maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

Non-derivative financial liabilities:						
2024/6/30	W	ithin 1 year		1-2 years	2-3 years	Over 3 years
Short-term borrowings (including current portion and accured	\$	27,007	\$	-	\$ -	\$ -
interest) Notes payable		8		_	_	-
Accounts payable						
(including related		754,789		-	-	-
parties) Other payables		1,991,954		-	-	-
Long-term borrowings		, ,				
(including current portion and accured interest)		13,174		13,174	13,174	117,484
Lease liabilities		71,072		56,073	35,167	39,741
Non-derivative financial						
<u>liabilities:</u> 2023/12/31	w:	thin 1 waar		1-2 years	2 2 Maars	$O_{1}$
Short-term	V	unn i year		1-2 years	2-3 years	Over 3 years
borrowings (including	\$	27,074	\$	-	\$ -	\$ -
accrued interest)						
Notes payable		2		-	-	-
Accounts payable (including related		522,666		_	_	_
parties)		522,000		-	-	-
Other payables		672,350		-	-	-
Long-term borrowings						
(including current portion and accrued		13,076		13,076	13,076	123,163
interest)						
Lease liabilities		47,517		38,734	29,721	43,974
Non-derivative financial						
liabilities:	** 7			1.0	2.2	0
2023/6/30 Notes payable	 €	<u>ithin I year</u> 347	¢	1-2 years	2-3 years	Over 3 years
Accounts payable	Ф	547	Ф		<b>р</b> –	ф -
(including related		406,470		-	-	-
parties)		,				
Other payables		1,620,221		-	-	-
Long-term borrowings						
(including current portion and accured interest)		13,076		13,076	13,076	129,701
Lease liabilities		53,654		35,072	25,621	53,100
Derivative financial						
liabilities Forward foreign						
Forward foreign exchange contract	\$	457	\$	-	\$ -	\$ -

- D. The Group's cash flows are not expected to occur significantly earlier than the maturity date, or to be significantly different from the actual amount.
- (3) Information on fair value
  - 1. The various levels of fair value measurement of financial and non-financial instruments are defined as follows:
    - Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks, beneficiary certificates 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 Group 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 Group.
  - 2. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, financial assets measured at amortized cost-current, notes receivable, accounts receivable, other receivables, restricted deposit (classified in the balance sheet as other current asset), refundable deposits, (classified in the balance sheet as other current and non-current asset), short-term borrowings, notes payable, accounts payable (including related parties), long-term borrwings (including current portion), other payables and lease liabilities are reasonable approximate to the 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:
  - (1) The related information of the nature of the assets and liabilities is as follows:

2024/6/30	_	1st Level	2nd Level	3rd Level	_	Total
Asset						
Recurring fair value measurements						
Financial assets at fair value through						
profit or loss						
Equity securities	\$	472,253	\$ 5,358	\$ 62,766	\$	540,377
Beneficiary certificates		27,153	-	-		27,153
Convertible bond		124,500	-	-		124,500
Hybrid instruments		-	-	8,003		8,003
Financial asset at fair value through						
other comprehensive income						
Equity securities		83,918	 -	61,200		145,118
Total	\$	707,824	\$ 5,358	\$ 131,969	\$	845,151

2023/12/31	_	1st Level		2nd Level		3rd Level	_	Total
Asset								
Recurring fair value measurements								
Financial assets at fair value through								
profit or loss	•				÷			
Equity securities	\$	269,262	\$	4,959	\$	55,086	\$	329,307
Beneficiary certificates		26,974		-		-		26,974
Convertible bond		121,000		-		-		121,000
Hybrid instruments		-		-		8,634		8,634
Financial asset at fair value through								
other comprehensive income		(0.75(						(0.75(
Equity securities	¢	68,756	¢	-	¢	-	¢	68,756
Total	\$	485,992	\$	4,959	\$	63,720	\$	554,671
2023/6/30		1st Level		2nd Level		3rd Level		Total
Asset	-			2110 20101		514 20101	-	10101
Recurring fair value measurements								
Financial assets at fair value through								
profit or loss								
Equity securities	\$	286,355	\$	5,469	\$	52,046	\$	343,870
Beneficiary certificates		26,807		-		-		26,807
Convertible bond		119,700		-		-		119,700
Hybrid instruments		-		-		8,469		8,469
Financial asset at fair value through								
other comprehensive income								
Equity securities		-		-		2,381		2,381
Total	\$	432,862	\$	5,469	\$	62,896	\$	501,227
Liability								
Recurring fair value measurements								
Financial liabilities at fair value								
through profit or loss								
Forward exchange contracts	\$	-	\$	457	\$		\$	457

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

A. The Group adopts quoted prices as inputs used to measure fair value (1st level), which are classified as follows based on the characteristics of the financial instruments:

	Listed and OTC stocks	Open-end funds
Market quoted price	Closing 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 Group adopts valuation techniques widely used by market participants for evaluating non-standardized and less complex financial instruments. The parameters used in the valuation models of such financial instruments are usually market observable information.

- D. The evaluation of derivatives is based on the valuation model generally accepted by market users, such as the discount method. 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 Group's management policies of fair value valuation model and related control procedures, its management believes that valuation adjustments are appropriate and necessary for the fair values of financial and non-financial instruments to be presented fairly in the consolidated balance sheet. The price information and parameters used in the evaluation process are carefully evaluated, with appropriate adjustments according to current market conditions.
- 4. For the six-month periods ended June 30, 2024 and 2023, there was no transfer between Level 1 and Level 2.
- 5. Movements on Level 3 for the six-month periods ended June 30, 2024 and 2023 are as follows:

		2024		2023				
	Eq	uity instruments	Equity instruments					
January 1	\$	63,720	\$	84,128				
Acquisitions		61,200		-				
Transfer out 3rd Level		-	(	25,155)				
Recognition in profit (loss) (Note)		7,049		3,923				
June 30	\$	131,969	\$	62,896				
Changes in unrealized gains or losses on assets and liabilities owned at the end of the period (Note)	<u>\$</u>	7,049	<u>\$</u>	3,923				
Note: Described on the second	(1)							

Note : Recorded as othe gains (losses).

- 6. As February 9 of the year 2023, PROTECTLIFE INTERNATIONAL BIOMEDICAL INC. was reclassified as an investment accounted for using the equity method. For further details, please refer to Note 6(6). There had been no inward or outward transfer of level 3 input for the six months periods ended June 30, 2024.
- 7. 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.

8. The following is the qualitative information of significant unobservable inputs and

E en ita instanan esta	2024/6/30 Fair value		Significant and unobservable input	Range (weighted average)	Relationship between input and fair value
Equity instruments: Unlisted and non-OTC stocks	\$ 42,317	Net asset value approach	Not applicable	Not applicable	The higher the net assets value, the higher the fair value
Unlisted and non-OTC stocks	1,089	Listed and 1 OTC di	Price to book ratio multiple, scount for lack f marketability	Not applicable	The higher the multiple, the higher the fair value; The higher the discount for lack of marketability, the lower the fair value.
Unlisted and non-OTC stocks	80,560	Discounted Cash Flow Approach	Note 1	Not applicable	Note 2
Hybrid instrument: Unlisted and non-OTC stocks	43,560	Discounted Cash Flow method	Note 1	Not applicable	Note 2
Embedded option	( 35,557)		Price volatility	Not applicable	The higher the net assets value, the higher the fair value
	2023/12/31 Fair value	Valuation technique	Significant and unobservable input	Range (weighted average)	Relationship between input and fair value
Equity instruments: Unlisted and non-OTC stocks	\$ 34,637	Net asset value approach	N/A	Not applicable	The higher the value of net assets, the higher the fair value of the stocks
Unlisted and non-OTC stocks	1,089	Comparable Listed and OTC company's analysis	Price to book ratio multiple, discount for lack of marketability	Not applicable	The higher the multiple, the higher the fair value; The higher the discount for lack of marketability, the lower the fair value.
Unlisted and non-OTC stocks	19,360	Discounted Cash Flow Approach	Note 1	Not applicable	
Hybrid instrument: Shares of unlisted companies	59,291	Discounted Cash Flow Approach	Note 1	Not applicable	Note 2
Embedded option	( 50,657)		Stock price volatility	Not applicable	The higher the stock price volatility, the higher the fair value

sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	2023/6/30 Fair value	Valuation technique	Significant and unobservable input	Range (weighted average)	Relationship between input and fair value
Equity instruments:					
Unlisted and non-OTC stocks	\$ 31,597	Net asset value approach	Not applicable	Not applicable	The higher the net assets value, the higher the fair value
Unlisted and non-OTC stocks	1,089	Comparable Listed and OTC companies analysis	Price to book ratio multiple, discount for lack of marketability	Not applicable	The higher the multiple, the higher the fair value; The higher the discount for lack of marketability, the lower the fair value.
Unlisted and non-OTC stocks	21,741	Discounted Cash Flow Approach	Note 1 Not applicabl		Note 2
Hybrid instrument:	55 2(7	D'accente 1	N. 4. 1	N.	N-4- 2
Unlisted and non-OTC stocks	55,267	Discounted Cash Flow method	Note 1	Not applicable	Note 2
Embedded option	( 46,798)	Options pricing model	Price volatility	Not applicable	The higher the net assets value, the higher the fair value
9 After care	ful assessment	the Groun	has selected ve	aluation mod	els and evaluation

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

# XIII. Disclosures

- (1) Information on significant transactions
  - A. Financing provided: None.
  - B. Endorsements and guarantees provided: None.
  - C. Marketable securities held at the end of period (excluding investments in subsidiaries, associates and joint ventures): Please refer to schedule 1.
  - D. Marketable securities acquired and disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital: None.
  - E. Acquisition of real estate properties at costs of at least \$300 million or 20% of the paid-in capital: None.
  - F. Disposal of real estate properties at prices of at least \$300 million or 20% of the paid-in capital: None.
  - G. Total purchases from or sales to related parties of at least \$100 million or 20% of the paid-in capital: Please refer to schedule 2
  - H. Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: Please refer to schedule 3
  - I. Trading in derivative instruments undertaken during the reporting period: Please

refer to Note 6 (2).

- J. Intercompany relationships and significant intercompany transactions: Please refer to Schedule 4.
- (2) <u>Information on investees</u>

Names, locations, and related information of investees 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: None.
- (4) Information of major shareholders

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

# XIV. Segment information

(1) <u>General information</u>

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information in this period.

(2) Measurement of segment information

The Group uses the revenue and operating profit as the measurement for operating segment profit and the basis of performance assessment. The accounting policies of the operating segments and the accounting policies described in Note 4 of the consolidated financial statements are the same.

# (3)<u>Segment information</u>

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

				For th	ne si	x-month per	iods e	ended June 30,	. 20	24
		AAEON		AOH		JETWAY			,	
		Group		Group		Group	E	limination		Total
Revenue from external customers	\$	2,492,949	\$	572,655	\$	655,951	\$	-	\$	3,721,555
Revenue from internal segments		46,006		2,023		4,514	(	52,543)		-
Segment revenue	\$	2,538,955	\$	574,678	\$	660,465	(\$	52,543)	\$	3,721,555
Segment profit or loss	\$	626,205	\$	98,147	\$	154,749	\$	-	\$	879,101
Segment profit or loss: Depreciation and	<b>•</b>	52.204	¢	11.010	¢	<b>50 070</b>	¢		¢	100 070
amortization	<u>\$</u>	52,384	<u>\$</u>	11,213	<u>\$</u>	59,272	\$	-	\$	122,869
Segment assets	\$	12,509,762	\$	2,233,981	\$	2,675,503	( <u></u>	1,750,273)	\$	15,668,973
		AAEON Group		For th AOH Group		<u>x-month per</u> JETWAY Group		ended June 30, limination	<u>, 20</u>	23 Total
Revenue from external customers	\$	3,079,447	\$	684,005	\$	221,490	\$	_	\$	3,984,942
Revenue from internal segments		50,749		1,811		-	(	52,560)		-
Segment revenue	\$	3,130,196	\$	685,816	\$	221,490	(\$	52,560)	\$	3,984,942
Segment profit or loss	\$	688,017	\$	140,397	\$	23,619	\$	-	\$	852,033
Segment profit or loss: Depreciation and										
amortization	\$	42,202	\$	11,984	\$	19,547	\$		\$	75,733
Segment assets		11,610,754	\$	2,024,895	\$	2,822,252	( <u></u>	1,710,156)	\$	14,747,745
Interdepartmental	reve	enue has bee	en f	ullv elimina	ated	l.				

Interdepartmental revenue has been fully eliminated.

# (4)<u>Reconciliation for segment income</u>

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

#### MARKETABLE SECURITIES HELD

#### (EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)

#### JUNE 30, 2024

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

	Marketa	ble securities type and name				2024/6/30						
Holding company	Туре	Name (Note 1)	Relationship with the Company	Financial Statement Account	Shares	Carrying value (Note2)	Percentage of Ownership (%)	Fair value	Remarks			
AAEON Technology Inc.	Fund	Mega Diamond Money Market	None	Financial assets at fair value through profit or loss - current	2,091,070	\$ 27,153	-	\$ 27,153	None			
"	Stock	MACHVISION, INC.	Other related party - the Company's Chairman as a director	n	1,180,198	464,998	2.03	464,998	"			
"	"	Allied Biotech Co.	None	"	300,000	5,358	0.31	5,358	"			
"	"	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.	"	"	1,710,000	19,360	15.05	19,360	"			
"	"	V-Net AAEON Corporation Ltd.	"	"	29	8,003	14.50	8,003	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	-	124,500	-	124,500	None			
"	Stock	Sunengine Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	156,903	1,089	2.34	1,089	"			
ONYX HEALTHCARE INC	"	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	42,317	13.04	42,317	"			
"	"	MELTEN CONNECTED HEALTHCARE INC.	"	Financial asset at fair value through other comprehensive income - non-current	4,193,548	-	6.61	-	"			
"	"	TOP UNION ELECTRONICS CORP.	"	· "	2,590,059	83,918	1.79	83,918	"			
"	"	CREATIVE LIFE SCIENCE CO., LTD.	"	n	900,000	61,200	4.25	61,200	"			

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

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

Note3: Hybrid contract with embedded options.

Schedule 1

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

Transaction

#### FOR THE SIX -MONTH PERIOD ENDED JUNE 30, 2024

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

 Reasons for difference

 between the related party

 transaction terms and the

 arms length terms of

 transaction (Note)

 Accounts and notes receivable (payable)

Company Name	Related Party	Nature of Relationship	Purchase (sales)		Amount	Percentage total purch (sales) (%	ase	Payment terms	Unit Price	Payment terms	Endi	ng Balance	Percentage to total accounts and notes receivable or payable (%)	Note
AAEON Technology Inc.	ASUSTEK COMPUTER INC	Parent	Purchases	\$	395,552	33.2	23	month-end \$ 30 days	-	-	(\$	148,517)	( 33.83 )	
"	AAEON TECHNOLOGY (EUROPE) B.V.	Subsidiary	(Sales)	(	782,757)	( 37.2	77)	60 days after invoice date	-	-		259,260	43.89	
"	AAEON ELECTRONICS, INC.	"	"	(	312,604)	( 15.0	08)	"	-	-		53,156	9.00	
JETWAY INFORMATION CO., LTD.	JET WAY COMPUTER CORP.	"	"	(	162,047)	( 24.:	54)	month-end 30-60 days	-	-		39,215	33.31	
FUJIAN CANDID INTERNATIONAL CO., LTD	JETWAY INFORMATION CO., LTD.	"	"	(	105,111 )	( 15.9	91)	month-end 30-90 days	-	-		3,219	2.73	

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.

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

JUNE 30, 2024

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

		Nature of	Er	nding balance	-	Overdue Amounts Rec						ived in		
Company Name	Related Party	Relationship		(Note 1)	Turnover (%)	Amount		Action taken		Subsequ	ent Period		Loss allowance	
AAEON Technology Inc.	AAEON TECHNOLOGY (EUROPE) B.V.	Subsidiary	\$	259,260	6.40	\$	-		-	\$	96,655	\$		-

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

Schedule 3 Page 1

Schedule 3

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

#### FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

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

				Intercompany transaction							
Serial No. (Note 1)	Company Name	Related Party	Nature of relationships (Note 2)	Financial Statement Account	A	mount	Terms	As a percentage of consolidated revenues or total assets (%) (Note 3)			
0	AAEON Technology Inc.	AAEON TECHNOLOGY (EUROPE) B.V.	1	Net sales	\$	782,757	60 days after invoice date	21.03			
"	"	AAEON ELECTRONICS, INC.	1	Net sales		312,604	"	8.40			
"	"	AAEON TECHNOLOGY (EUROPE) B.V.	1	Accounts receivable		259,260	"	1.65			
1	JETWAY INFORMATION CO., LTD.	JET WAY COMPUTER CORP.	3	Net sales		162,047	month-end 30-60 days	4.35			
2	FUJIAN CANDID INTERNATIONAL CO., LTD	JETWAY INFORMATION CO., LTD.	3	Net sales		105,111	month-end 30-90 days	2.82			

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 subsidiary has already disclosed the transaction, the other subsidiary is not required to disclose the same transaction)

(1) Parent company to subsidiary

(2) Subsidiary to parent company

(3) Subsidiary to subsidiary

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

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

Schedule 4

Schedule 4 Page 1

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

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

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

				Original I	nvestment	Balan	ce as of June 30	0,2024		Profits or losses on investment	
		T d	Main businesses and	2024/6/20	2022/12/21	q	Percentage	Carrying	Investee profit or loss for the	recognized for the period	
Name of investor	Name of investee	Location	products	2024/6/30	2023/12/31	Shares	(%)	Amount	period (Note 2)	(Note 2)	Remarks
AAEON Technology Inc.	AAEON ELECTRONICS, INC.	USA	Sales of IPC and PC peripherals	\$ 159,005	\$ 150,455	490,000	100.00	\$ 348,341	(\$ 11,330)	(\$ 11,328)	
n	AAEON TECHNOLOGY	British Virgin	Investment of IPC and	285,790	270,422	8,807,097	100.00	171,704	( 18,426)	( 19,239)	
"	CO.,LTD AAEON	Islands Netherlands	interface card Sales of IPC	3,471	3,398	-	100.00	105,035	3,877	3,877	
"	TECHNOLOGY (EUROPE) B.V. AAEON	Singapore	and PC peripherals Sales of IPC	13,953	13,586	465,840	100.00	65,164	( 2,945)	( 2,945)	
	TECHNOLOGY SINGAPORE PTE.LTD.	Singapore	and PC peripherals	15,955	15,580	403,840	100.00	05,104	( 2,945 )	( 2,945)	
n	AAEON INVESTMENT, CO., LTD.	Taiwan	Investment of IPC and PC peripherals	150,000	150,000	15,000,000	100.00	145,295	3,801	3,801	
u	ONYX HEALTHCARE INC.	"	Design, manufacture and sales of medical PC	172,368	172,368	16,257,179	48.49	771,520	89,307	43,328	
n	LITEMAX ELECTRONICS INC.	"	Sales of PC peripherals	70,218	70,218	5,015,050	11.90	106,737	101,599	10,578	
11	IBASE TECHNOLOGY INC.	"	Manufacturing and sales of industrial motherboards	3,498,501	3,498,501	52,921,856	26.72	3,461,810	368,775	35,336	
"	JETWAY INFORMATION CO., LTD.	"	Manufacturing and selling of industrial motherboard and computer peripherals	958,247	958,247	26,450,000	35.27	960,801	110,607	26,818	

Schedule 5

Schedule 5 Page 1

#### AAEON Technology Inc. and Subsidiaries NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA) FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2024

# Schedule 5

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

				Original Investment		Balan	nce as of June 30	,2023		Profits or losses on investment	
Name of investor	Name of investee	Location	Main businesses and products	2024/6/30	2023/12/31	Shares	Percentage (%)	Carrying Amount	Investee profit or loss for the period (Note 2)	recognized for the period (Note 2)	Remarks
AAEON TECHNOLOGY (EUROPE) B.V.	AAEON TECHNOLOGY GMBH	Germany	Sales of IPC and PC peripherals	\$ 1,041	\$ 1,019	-	100.00	\$ 24,347	\$ 905	-	Note1
ONYX HEALTHCARE INC.	ONYX HEALTHCARE USA, INC.	USA	Sales of medical PC and peripherals	64,900	61,410	200,000	100.00	75,566	( 17,430 )	-	"
"	ONYX HEALTHCARE EUROPE B.V.	Netherlands	Marketing support and maintenance of medical PC and	3,471	3,398	100,000	100.00	14,055	6,453	-	"
"	IHELPER INC.	Taiwan	peripherals R&D and sales of medical robots	16,560	16,560	1,656,000	46.00	6,983	-	-	"
U	WINMATE INC.	"	Bid quotations, distributions and sales of LCD application equipment and modules	568,585	568,585	10,244,000	12.85	618,269	269,697	-	"
"	ProtectLife International Biomedical INC.	"	Manufacturing and Wholesale of Medical Devices and Consumables	44,380	44,380	2,188,000	11.27	32,033	( 20,761 )	-	"
JETWAY INFORMATION CO., LTD.	JETWAY COMPUTER CORP.(USA)	USA	Selling and repairing of computer peripheral equipment	123,310	116,679	380	100.00	184,676	19,125	-	"
'n	JETWAY COMPUTER B.V. (Netherlands)	Netherlands	Selling and repairing of computer peripheral equipment	676	676	40	100.00	28,147	3,585	-	n

Schedule 5 Page 2

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

## FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2024

## Schedule 5

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

				Original Investment Balance as of June 30,2023					Profits or losses on investment		
Name of investor	Name of investee	Location	Main businesses and products	2024/6/30	2023/12/31	Shares	Percentage (%)	Carrying Amount	Investee profit or loss for the period (Note 2)	recognized for the period (Note 2)	Remarks
JETWAY INFORMATION CO., LTD.	JETWAY (FAR EAST) INFORMATION COMPANY LIMITED	British Virgin Islands	Investing of computer peripheral business	\$ 100,096	\$ 94,714	3,084,634	100.00	\$ 123,359	\$ 980	-	Note1
"	TOP NOVEL ENTERPRISE CORP.	Seychelles	Investing of computer peripheral business	574,381	543,494	17,700,500	100.00	449,419	10,436	-	"
JETWAY (FAR EAST) INFORMATION COMPANY LIMITED	SCORETIME INVESTMENT LIMITED	British Virgin Islands	Investing of computer peripheral business	98,474	93,178	3,034,634	100.00	122,387	973	-	n
TOP NOVEL ENTERPRISE CORP.	CANDID INTERNATION AL CORP.	"	Investing of computer peripheral business	553,273	523,520	17,050,000	100.00	445,574	10,203	-	"

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 June 30, 2024, while others are converted to NTD under the exchange rate at end period of the financial report.

#### AAEON Technology Inc. and Subsidiaries INFORMATION ON INVESTMENT IN MAINLAND CHINA FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

Schedule 6

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

Investee Company	_ Main Business		Methods of investment (Note 1)	Beginning Balance of Accumulated Outflow of Investment from Taiwan	Investment Flows Outflow Inflow	Accumulated Outflow of Investment from Taiwan as of June 30, 2024	period	The Company's direct or indirect holding percentage	Share of Profits / Losses (Note 2. (2)C)	Carrying Amount as of June 30, 2024	Accumulated Inward Remittance of Earnings as of June 30, 2024	Remarks
AAEON TECHNOLOGY (SUZHOU) INC.	Production and sales of IPC and interface card	\$ 281,999	2	\$ 281,999	\$ - \$ -	\$ 281,999	(\$ 18,550)	100%	(\$ 18,550)	\$ 177,021	\$ -	Note2(2)C
ONYX HEALTHCARE (SHANGHAI) LTD	Sales of medica PC and peripher		1	71,390		71,390	( 1,238)	100%	( 1,238)	2,218	-	Note2(2)C
FUJIAN CANDID INTERNATIONAL CO., LTD.	Manufacturing a selling of computer and peripheral equipment	nd 551,650	2	551,650		551,650	10,101	100%	10,101	443,895	-	Note2(2)B
Company Name	Ending Balance Accumulated Investment ir Mainland Chir	Investment Commission,	Upper Limit on Investment Authorized by Investment Commission, MOEA									
AAEON Technology Inc.	\$ 281,99	99 \$ 281,999	\$ 7,088,038									
Onyx Technology Inc.	71,39	71,390	873,404									
JETWAY INFORMATION CO., LTD.	551,6:	50 551,650	860,459									

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 and CANDID INTERNATIONAL CORP.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 June 30, 2024, while others are converted to NTD under the exchange rate at the end period of the financial report.

#### INFORMATION OF MAJOR SHAREHOLDERS

#### JUNE 30, 2024

#### Schedule 7

	Shares					
Name of major shareholder	Total Shares Owned	Ownership (%)				
ASUSTEK COMPUTER INC.	43,756,000	27.183				
IBASE TECHNOLOGY INC.	41,698,468	25.905				
Yung-Shun Chuang	19,664,000	12.216				
HUA-CHENG VENTURE CAPITAL CORP.	8,359,000	5.193				
HUA-MIN INVESTMENT CO., LTD.	8,359,000	5.193				

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.