AAEON Technology Inc and Subsidiaries

Consolidated Financial Statements

With Independent Auditor's Review Report Thereon

September 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 September 30, 2024 and 2023

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#### INDEPENDENT AUDITORS' REPORT

(2023) Tsai-Shen-Bao-Tzi No.24001910

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 September 30, 2024 and 2023, and the related consolidated statements of comprehensive income for the three-month periods ended September 30, 2024 and 2023, and for the nine-month periods ended September 30, 2024 and 2023, as well as the consolidated statement of changes in equity and cash flows for the nine-month periods ended September 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 \$769,528 thousand and \$737,547 thousand as of September 30, 2024 and 2023, and accounted for 5.43% and 5.07% of consolidated total assets, respectively; they also represented \$133,248 thousand and \$177,244 thousand of total liabilities, which accounted for 5.44% and 7.08% of consolidated total liabilities, respectively, and total comprehensive income (loss) amounting to (\$8,389) thousand, \$8,481 thousand, (\$7,627) thousand, and \$290 thousand, constituting (79.83%), 2.14%, (0.86%) and 0.03% of consoliated total comprehensive income (loss) for the three-month periods ended September 30, 2024 and 2023, and for the nine-month periods ended September 30, 2024 and 2023,

respectively. As for investments accounted for using the equity method, the balance as of September 30, 2024 and 2023 were \$34,614 thousands, \$36,099 thousands, which accounted for 0.24% and 0.25% of the total consolidated assets, seperately. The share of profit or loss from associated companies accounted for using the equity method and the share of other comprehensive income amounted to (\$967) thousand, (\$1,327) thousand, (\$3,619) thousand and (\$3,436) thousand, constituting (9.20%), (0.33%), (0.41%) and (0.30%) for the three-month periods ended September 30, 2024 and 2023 and for the nine-month periods ended September 30, 2024 and 2023, respectively.

#### **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 September 30, 2024 and 2023, and of its consolidated financial performance for the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023 and its consolidated cash flows for the nine months ended September 30, 2024 and 2023, in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, Interim Financial Reporting that came into effect as endorsed by the Financial Supervisory Commission.

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

We did not review the financial statements of certain investments accounted for under equity method. Those financial statements were reviewed by other independent auditors whose reports thereon have been furnished to us and our conclusion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements and information disclosed relative to these investments, is based solely on the reports of other independent auditors. These investments accounted for under equity method amounted to \$3,982,848 thousand and \$4,109,957 thousand as of September 30, 2024 and 2023, which accounted for 28.08% and 28.27% of consolidated total assets on the respective dates; total comprehensive income recognized from the above companies amounted to \$15,230 thousand, \$86,805 thousand, \$160,728 thousand and \$263,993 thousand, constituting 144.94%, 21.85%, 18.11% and 22.76% of consolidated comprehensive income for the three-month periods ended September 30, 2024 and 2023, and for the nine-month periods ended September 30, 2024 and 2023, respectively.

PwC Taiwan

Certified Public Accountant

Chang, Shu-Chiung

Lin, Chun-Yao

(Formerly known as) Securities and Futures 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

November 7, 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

Consolidated Balance Sheets

September 30, 2024, December 31, 2023 and September 30, 2022

(The consolidated balance sheets as of September 30, 2024 and 2023, were reviewed, not audited) (Expressed in thousands of New Taiwan Dollars)

			400	NO DESCRIPTION OF STREET	the character of the					
	Assets	Notes		September 30, 2 Amount	<u>024</u> %		December 31, 2 Amount	023	September 30, 2	023
	Current asset	Notes		Amount		_	Amount		Amount	
		( (1)						20		
1100 1110	Cash and cash equivalents Financial asset at fair value	6. (1) 6. (2)	\$	4,122,353	29	\$	4,347,976	30	\$ 4,190,267	29
1110	through profit or loss - current			570,226	4		423,284	3	421,176	3
1136	Financial assets measured at amortized cost-current	8		91,406	1		62,331	1	92,308	1
1150	Net notes receivable	6. (4)		31,109	-		13,400	-	11,524	-
1170	Net accounts receivable	6. (4),7		813,176	6		919,566	6	998,693	7
1200	Other receivables	7		24,084	-		17,377	-	15,573	-
1220	Current tax assets			23,446	-		2,084	-	13,312	-
130X	Inventories	6. (5)		1,434,567	10		1,491,105	10	1,680,448	11
1410	Prepayments			103,913	1		105,134	1	107,878	1
1479	Other current assets - other			6,824			4,747		3,419	
11XX	Total current assets			7,221,104	51		7,387,004	51	7,534,598	52
	Non-current assets									
1510	Financial asset at fair value	6. (2)								
	through profit or loss -									
	non-current			71,934	1		62,631	-	59,284	-
1517	Financial asset at fair value	6. (3)								
	through other comprehensive									
	income - non-current			149,939	1		68,756	1	57,363	-
1550	Investments accounted for under equity method	6. (6),7		4,017,462	28		4,138,921	29	4,146,056	29
1600	Property, plant and equipment	6. (7), 7,8		1,386,382	10		1,519,684	11	1,534,678	11
1755	Right-of-use assets	6. (8)		210,805	1		186,616	1	182,414	1
1760	Net investment property	6. (9), 8		343,697	2		191,792	1	194,136	1
1780	Intangible assets	6. (10), 7		648,674	5		700,153	5	716,378	5
1840	Deferred tax assets			77,662	1		88,741	1	96,540	1
1900	Other non-current assets	8		55,268			33,360		18,306	
15XX	Total non-current assets			6,961,823	49	_	6,990,654	49	7,005,155	48
1XXX	Total assets		\$	14,182,927	100	\$	14,377,658	100	\$ 14,539,753	100
						_	<u> </u>			

(Continued)



Consolidated Balance Sheets

September 30,2023 December 31, 2023 and September 30, 2022

(The consolidated balance sheets as of September 30, 2024 and 2023, were reviewed, not audited) (Expressed in thousands of New Taiwan Dollars)

			Se	ptember 30, 2	024	December 31, 2		September 30, 2		:023
	Liabilities and equity	Notes		Amount	<u>%</u>	Amount	<u>%</u>		Amount	<u>%</u>
	Current liability									
2100	Short-term borrowings	6. (11), 8	\$	90,000	1	\$ 27,000	-	\$	27,000	-
2130	Contract liability - current	6. (19)		246,229	2	225,564	2		280,635	2
2150	Notes payables			21	-	2	-		375	-
2170	Accounts payables			498,732	4	452,725	3		609,373	4
2180	Accounts payables-related parties	7		93,967	1	69,941	1		141,935	1
2200	Other payables	6. (13), 7		779,548	5	672,350	5		615,998	4
2230	Current tax liabilities			23,902	-	105,243	1		80,594	1
2250	Provisions - current			34,431	-	41,519	-		42,815	-
2280	Lease liability - current			65,190	-	44,717	-		44,419	-
2320	Long-term liabilities-current Portion	6. (12), 8		10,560	-	10,476	-		10,427	-
2399	Other current liabilities - other			43,589		47,941			53,587	1
21XX	<b>Total current liabilities</b>			1,886,169	13	1,697,478	12		1,907,158	13
	Non-current liabilities								_	
2527	Contract liability - non-current	6. (19)		56,023	_	58,686	_		61,217	_
2540	Long-term borrowings	6. (12), 8		126,621	1	134,499	1		137,139	1
2550	Provisions - non-current	<i>'</i>		13,382	_	14,507	_		14,870	_
2570	Deferred tax liabilities			242,087	2	230,873	2		262,493	2
2580	Lease liability - non-current			110,502	1	103,720	1		100,118	1
2670	Other non-current liabilities - other			14,823	_	16,500	_		19,095	_
25XX	Total non-current liabilities			563,438	4	558,785	4		594,932	4
2XXX	Total Liabilities			2,449,607	<del>.</del>	2,256,263	16		2,502,090	<u> </u>
2212121	Equity		_	2,119,007					2,502,070	
	Equity attributable to owners of									
	parent									
	Share capital	6. (16)								
3110	Share capital-common stock	0. (10)		1,689,872	12	1,602,418	11		1,601,788	11
3140	Advance receipts for share capital			3,820	-	1,660	11		630	- 11
31 10	Capital surplus	6. (15) (17)		3,020	_	1,000	_		030	_
3200	Capital surplus	0. (13) (17)		6,398,400	45	6,421,702	45		6,414,868	45
3200	Retained earnings	6. (18)		0,398,400	43	0,421,702	43		0,414,000	43
2210	_	0. (18)		674,628	-	577.044	4		577.044	4
3310	Legal reserve				5	577,944	4		577,944	4
3320	Special reserve			12,359	-	12,359	-		12,359	-
3350	Unappropriated retained earnings			863,695	6	1,331,564	9		1,270,334	9
2400	Other Equity			122.740	1	(2.052			00.750	
3400	Other equity			132,740	1	62,953			88,752	
31XX	Total equity attributable to									
	owners of parent		-	9,775,514	_69	10,010,600	69		9,966,675	69
36XX	Non-controlling interests	4. (3)		1,957,806	14	2,110,795	15		2,070,988	_14
3XXX	Total equity			11,733,320	83	12,121,395	84		12,037,663	_83
	Significant contingent liabilities and	9								
23/23/	unrecognized contract commitments		¢.	14.520.552	100	ф 14.000 cso	100	Ф	1.4.520.552	100
3X2X	Total liabilities and equity		\$	14,539,753	100	\$ 14,377,658		\$	14,539,753	100

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





# AAEON Technology Inc. and Subsidiaries Consolidated Income Statement For the nine-month periods ended September 30, 2024 and 2023

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

				For the th	ree-mont	h periods ended er 30,	For the nine-month periods ended September 30,						
				2024		2023			2024	•		2023	
	Item	Notes		Amount	%	Amount	-	%	Amount	%	_	Amount	%
4000	Operating income	6. (19), 7	\$	1,734,104	100 \$	2,063,003		100 \$	5,455,655	100	\$	6,047,945	100
5000	Operating cost	6. (5)(23)(24), 7	(	1,151,735) (	66) (	1,310,077)	(_	64) (	3,541,006) (	65)	(	3,942,599) (_	65)
5900	Operating profit		_	582,369	34	752,926	_	36	1,914,653	35		2,105 ,346	35
	Operating expenses	6. (23)(24), 7											
6100	Selling expense		(	182,486) (	10) (	189,331)	(	9) (	580,521) (	10)	(	515,504) (	8)
6200	General and administrative expenses		(	137,815) (	8) (	137,009)	(	7) (	419,894) (	8)	(	356,434) (	6)
6300	Research and development expenses		(	184,231) (	11) (	168,230)	(	8) (	549,352) (	10)	(	477,396) (	8)
6450	Expected credit impairment (loss) or gain	12. (2)		2,321		535	_		1,498			1,648	
6000	Total operating expense		(	502,211) (	29) (	494,035)	(_	24) (	1,548,269) (	28)	(	1,347,686) (	22)
6900	Operating income			80,158	5	258,891	_	12	366,384	7	_	757,660	13
	Non-operating income and expenses												
7100	Interest income			36,027	2	20,353		1	108,080	2		40,658	1
7010	Other income	6. (20)		8,481	-	5,989		-	30,594	-		26,503	-
7020	Other gains and losses	6. (21)	(	98,913) (	6)	82,019		4	322,888	6		287,519	4
7050	Financial costs	6. (22)	(	2,114)	- (	1,671)		- (	5,820)	-	(	4,374)	-
7060	Share of the profit of associates and joint ventures accounted for under	6. (6)											
	equity method		_	39,036		69,937	_	4	119,650	2		179,585	3
7000	Total non-operating income and expenses		(	17,483) (	<u>2</u> ) _	176,627	_	9	575,392	10		529,891	8
7900	Profit (loss) before income tax			62,675	3	435,518		21	941,776	17		1,287,551	21
7950	Income tax expenses	6. (25)	(_	24,037) (	1) (	90,181)	(_	4) (	143,969) (	2)	(_	239,277) (	<u>4</u> )
8200	Profit for the period		\$	38,638	2 \$	345,337	_	17 \$	797,807	15	\$	1,048,274	17

(Continued)



## Consolidated Income Statement For the nine-month periods ended September 30, 2024 and 2023

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

	Will and the state of the state	2002_Herrystades de dell			n periods ended er 30,	i	For the n	ine-mon	nth periods ended aber 30,			
				2023		2022		2023		2022	22	
	Item	Notes		Amount	<u>%</u>	Amount	<u>%</u>	Amount	<u>%</u>	Amount	<u>%</u>	
	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)	(\$	911)	- (	\$ 2,237)	-	\$ 2,568	-	(\$ 2,237)	) -	
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		(	24,846)	(1)	12,824		29,445		72,770	1	
8310	Total amount not to be reclassified to profit or loss in subsequent periods		(	25,757)	(1)	10,587	-	32,013	-	70,533	1	
	Components of other comprehensive income that will be reclassified to profit or loss											
8361	Financial statements translation differences of foreign operations		(	3,057)	-	48,228	2	61,932	1	41,215	1	
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			73	-	2,717	-	8,014	-	8,202	-	
8399	Income tax relating to the components of other comprehensive income	6. (25)		611	(	9,645)		(12,387	) <u> </u>	(8,243)	) <u> </u>	
8360	Total amount to be reclassified to profit or loss in subsequent periods		(	2,373)		41,300	2	57,559	1	41,174	1	
8300	Net Other comprehensive income		(\$	28,130)	$(\overline{1})$	\$ 51,887	2	\$ 89,572	1	\$ 111,707	2	
8500	Total comprehensive income		\$	10,508	1	\$ 397,224	19	\$ 887,379	16	\$ 1,159,981	19	
	Net income attributable to:											
8610	Shareholders of the parent		\$	6,754	-	\$ 278,932	14	\$ 671,466	12	\$ 908,088	15	
8620	Non-controlling interests			31,884	2	66,405	3	126,341	3	140,186	2	
			\$	38,638	2	\$ 345,337	17	\$ 797,807	15	\$ 1,048,274	17	
	Total comprehensive income attributable to:											
8710	Shareholders of the parent		(\$	19,495)	(1)	\$ 315,025	15	\$ 741,253	13	\$ 1,006,830	17	
8720	Non-controlling interests			30,003	2	82,199	4	146,126	3	153,151	2	
			\$	10,508	1	\$ 397,224	19	\$ 887,379	16	\$ 1,159,981	19	
	Basic earnings per share	6. (26)										
9750	Total basic earnings per share	- ( -)	\$		0.05	\$	2.24	\$	5.37	\$	7.60	
	Diluted earnings per share	6. (26)				·						
9850	Total diluted earnings per share	J. (20)	\$		0.05	\$	2.22	\$	5.33	\$	7.50	
	9- r		_			*				<del>-</del>		

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

Chairman: Yung-Shun Chuang



Manager: Chien-Hung Lin

Accounting Supervisor: Jen-Chung Wang





Equity attributable to owners of the parent Share Capital Retained Earnings Other Equity Unrealized gains (losses) form financial Financial assets statements measured at translation fair value differences of Advance Undistributed through other Remeasurements Common receipts for Capital Special retained foreign comprehensive of defined Non-controlling Notes share capital share capital surplus Legal reserve reserve earnings operations income benefit plans Total interests Total For the nine-month period ended September 30, 2023 \$ 8,642,423 720,475 \$ 9,362,898 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) 1,048,274 Profit fo the period 908,088 908,088 140,168 66,952 98,743 Other comprehensive income 31,791 12,964 111,707 Total comprehensive income 908,088 31,791 66,952 1,006,831 153,150 1,159,981 Appropriations of 2022 earnings 6. (18) Legal reserve 107,411 107,411) Special reserve 52,446) 52,446 Cash dividends 746,127) 746,127) 746,127) Issuance of new shares in exchange for other company's 6. (16) (17) 105,233 848,183 953,416 953,416 \_ Change in ownership interest in subsidiaries 6. (17) 3,770) 3,770) 3,770 Effect from long-term investment that has not been 6. (6) (17) 124 124 124 recognized based on shareholding percentage Change in associates and joint ventures accounted for under 6. (6) (17) 67,688 67,688 67,688 equity method 3.218 113) 3,105 1.379 4,484 Share-based Payment 6. (15) (17) Employee stock options exercised 6. (15) (17) 5,730 800) 38,055 42.985 15,158 58,143 Disposal of financial assets at fair value through 2,368) 2,368 other comprehensive income Changes in non-controlling interests-subsidiary acquisition 1,383,476 1,383,476 Changes in non-controlling interests- cash dividends 4. (3) 206,420) ( 206,420) 2,131) \$ 9,966,675

(Continued)

577,944

\$1,270,334

10,386

80,497

2,070,988

\$12,037,663

12,359

\$ 1,601,788

630

\$ 6,414,868

Balance at September 30, 2024



		Equity attributable to owners of the parent											
		Share	Capital		F	Retained Earnir	ıgs			er Equity			
									Unrealized				
									gains				
									(losses) form				
									financial				
								Financial	assets				
								statements	measured at				
								translation	fair value				
			Advance				Undistributed	differences of	through other	Remeasurement			
		Common	receipts for	Capital		Special	retained	foreign	comprehensive			Non-controlling	
	Notes	share capital	share capital	surplus	Legal reserve	reserve	earnings	operations	income	benefit plans	Total	interests	Total
For the nine-month period ended September 30, 2024													
Balance at January 1, 2024		\$ 1,602,418	\$ 1,660	\$ 6,421,702	\$ 577,944	\$12,359		(\$ 20,663)	\$ 85,628	(\$ 2,012)	\$10,010,600	\$ 2,110,795	\$ 12,121,395
Profit fo the period		-	-	-	-	-	671,466	-	-	-	671,466	126,341	797,807
Other comprehensive income								39,441	30,346		69,787	19,785	89,572
Total comprehensive income							671,466	39,441	30,346		741,253	146,126	887,379
Appropriations of 2023 earnings	6. (18)												
Legal reserve		-	-	-	96,684	-	( 96,684)	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	( 1,042,651)	-	-	-	( 1,042,651)	-	( 1,042,651)
Capital surplus-stock dividends	6. (16) (17)	80,204	-	( 80,204)	-	-	-	-	-	-	-	-	-
Recognition of changes in ownership interest in subsidiary				( 1,062)	-	-	-	-	-		( 1,062)	1,062	-
Change in associates and joint ventures accounted for und equity method	er 6. (6) (17)	-	-	7,444	-	-	-	-	-	-	7,444	-	7,444
Share-based Payment	6. (15) (17)	-	-	560	-	-	-	-	-	-	560	596	1,156
Employee stock options exercised	6. (15) (17)	7,250	2,160	49,960	-	-	-	-	-	-	59,370	3,975	63,345
Changes in non-controlling interests-cash dividends	4 (3)	-	-	-	-	-	-	-	-	-	-	( 183,415)	( 183,415)
Changes in non-controlling interests- Subsidiary Capital Reduction by Cash												(121,333)	`
Balance at September 30, 2024		\$ 1,689,872	\$ 3,820	\$ 6,398,400	\$ 674,628	\$ 12,359	\$ 863,695	\$ 18,778	\$ 115,974	(\$ 2,012)	\$ 9,775,514	\$ 1,957,806	\$11,733,320

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

Chairman: Yung-Shun Chuang



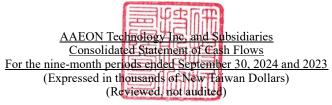




# AAEON Technology Inc. and Subsidiaries Consolidated Statement of Cash Flows For the nine-month periods ended September 30, 2024 and 2023 (Expressed in thousands of New Taiwan Dollars) (Reviewed, not audited)

			For the nine-mor Septem		
	Notes		2024		2023
Cash flows from operating activities					
Profit before tax		\$	941,776	\$	1,287,551
Adjustments					
Adjustments to reconcile profit (loss)					
Depreciation expense	6. (7) (8) (23)		110,747		89,961
Amortization expenses	6. (23)		68,906		41,177
Expected credit impairment losses (gains)	12.(2)	(	1,498)	(	1,648)
Costs of share-based payment awards	6. (15)		1,156		4,484
Interest income		(	108,080)	(	40,658)
Dividends income	6. (20)	(	15,290)	(	10,191)
Interest expenses	6. (22)		5,820		4,374
Net gains from financial assets and	6. (2) (21)				
liabilities at fair value through profit or loss		(	164,062)	(	125,523)
Losses on disposal of property, plant and	6. (21)				
equipment			2,021		2,365
Transferred to expenses and losses			-		2,639
Depreciation expense of investment	6 (9) (21)				
property (other gains and losses)			6,027		4,706
Share of profit of associates accounted for	6. (6)				
under equity method		(	119,650)		179,585)
Lease modification (gain) loss	6. (8) (21)	(	542)	(	18)
Changes in operating assets and liabilities					
Net changes in operating assets					
Financial assets and liabilities at fair value			2.45		
through profit or loss			345		220.001
Notes and accounts receivable		(	89,433		220,801
Other receivables		(	6,618)		10,975
Inventories			56,538		781,523
Prepayments			919		4,655
Net changes in operating liabilities			10.000	,	20.642.)
Contract liability			18,002	(	28,642)
Notes and accounts payable (including			70.050		100.254
related parties)		,	70,052	,	198,354
Other payables		(	15,007)	(	76,893 )
Other current liabilities		(	4,352)	,	13,732
Provisions for liabilities		(	8,213)	(	3,450)
Other non-current liabilities		(	1,677)	(	1,241
Net cash from operating activities			926,753		2,199,448
Interest received			108,024	,	40,658
Interest paid		(	5,786)	(	4,377 )
Income taxes paid		(	236,639)	(	394,523)
Net cash flows from operating activities			792,352		1,841,206

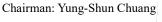
(Continued)



For the nine-month periods ended

				<u>nber 30</u>				
	Notes		2024		2023			
Cash flows from investing activities								
Disposal of financial assets and liabilities at								
fair value through profit or loss		\$	7,472	\$	8,241			
Acquired financial assets at fair value								
through other comprehensive income		(	78,615)	(	57,219)			
Acquired financial asset measured at								
amortized cost-current		(	59,751)	(	32,317)			
Disposal of financial asset measured at								
amortized cost-current			30,677		70,749			
(Increase) decrease in other current assets		(	2,077)		1,069			
Acquisition of investments accounted for	6. (6)							
under equity method		(	3,548)	(	14,380)			
Acquisition of property, plant and equipment	6. (28)	(	62,882)	(	103,102)			
Disposal of property, plant and equipment			863		-			
Acquisition of intangible asset	6. (10)	(	17,318)	(	2,614)			
Decrease (increase) in other non-current								
assets		(	21,994)		6,636			
Dividends received			304,850		375,588			
Acquisiton of subsidiary, net of cash received	6. (27)				754,136			
Net cash flows from investing activities			97,677		1,006,787			
Cash flows from financing activities								
Decrease (increase) in short-term borrowings	6. (29)		63,000		27,000			
Reimbursement in long-term borrowings	6. (29)	(	7,794)	(	7,720)			
Repayment of lease principal	6. (29)	(	47,806)	(	39,911)			
Cash dividends paid	6. (18)	(	1,042,651)	(	746,127)			
Cash dividends for non-controlling interest	4. (3)	(	183,415)	(	206,420)			
Employee share options exercised	6. (15)		63,345		58,143			
Net cash flows from financing activities		(	1,155,321)	(	915,035)			
Effects due to changes in exchange rate			39,669		23,106			
Increase in cash and cash equivalents		(	225,623)		1,956,064			
Cash and cash equivalents at the beginning of periods			4,347,976		2,234,203			
Cash and cash equivalents at the end of periods		\$	4,122,353	\$	4,190,267			

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 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS EN DED SEPTEMBER 30, 2024 AND 2023

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

#### I. Company Profile

AAEON Technology Co., Ltd. ("the Company") was established in the Republic of China. The main businesses of the company and its subsidiaries ("the Group") include the manufacturing, processing and imports and exports of computer peripherals, electronic components, computer test instruments, computer PCB functional testing, and radio telecommunication equipment and its components; the R&D, design, manufacturing, processing and trading of various industrial computers, medical computers, industrial controllers, quantity ontrollers 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 37.48% 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 November 7, 2024

#### III. New or Revised Standards and Applied Interpretation

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

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

Newly issued revised or amended standards and interpretations  Amendments to IFRS 16, "Lease liability in a sale and lease back"	Effective date issued by IASB 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 material impact to the Group.

(II) <u>Effect of new issuances of or amendments to International Financial Reporting Standards as endorsed by the FSC but not yet adopted by the Group</u>

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

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

The above standards and interpretations have no material impact to the Group.

### (III) IFRS Accounting Standards issued by International Accounting Standards Board but not yet endorsed by the FSC

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

	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 have	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:

The update specifies that equity instruments designated as measured at fair value through other comprehensive income (FVOCI) with an irrevocable choice should disclose their fair value by category, rather than disclosing fair value information for each individual asset. Additionally, it should disclose the fair value gains and losses recognized in other comprehensive income during the reporting period, separately presenting the fair value gains and losses related to investments derecognized during the reporting period, as well as those related to investments still held as of the reporting period's end. Furthermore, it should disclose the cumulative gains or losses transferred to equity from investments derecognized during the reporting period.

B. IFRS18, 'Presentation and disclosure in financial statements' IFRS18, 'Presentation and disclosure in financial statements' replaces International Accounting Standard (IAS) 1 and updates the structure of the statement of comprehensive income. It also introduces disclosures related to management performance measurement and strengthens the principles for aggregation and disaggregation applied to the primary financial statements and notes.

#### IV. Summary of Significant Accounting Policies

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

#### (I) Compliance Statement

1. 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 2022 consolidated financial report.

2. Subsidiaries included in the consolidated financial statements:

			(			
Investor	Subsidiary name	Business	2024/9/30	2023/12/31	2023/9/30	Notes
AAEON	AAEON ELECTRONICS, INC.	Sales of IPC and PC peripherals	100%	100%	100%	
AAEON	(AEI) AAEON TECHNOLOGY CO., LTD. (ATCL)	Investment of IPC and interface card	100%	100%	100%	Note 1
AAEON	AAEON TECHNOLOGY (EUROPE) B.V.(ANI)	Sales of IPC and PC peripherals	100%	100%	100%	
AAEON	AAEON INVESTMENT, CO., LTD. (AAEONI)	Investment of IPC and PC peripherals	100%	100%	100%	Note 1
AAEON	ONYX HEALTHCARE INC. (ONYX)	Design, manufacture and sales of medical PC	48.41%	48.51%	48.52%	Note 2

			(			
Investor	Subsidiary name	Business	2024/9/30	2023/12/31	2023/9/30	Notes
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
ATCL	AAEON TECHNOLOGY (SUZHOU) INC.(ACI)	Production and sales of IPC and interface card	100%	100%	100%	Note 1
ANI	AAEON TECHNOLOGY GMBH(AGI)	Sales of IPC and PC peripherals	100%	100%	100%	Note 1
ONYX	ONYX HEALTHCARE EUROPE B.V.(ONI)	Marketing support and maintenance of medical PC and peripherals	100%	100%	100%	Note 1
ONYX	ONYX HEALTHCARE USA, INC.(OHU)	Sales of medical PC and peripherals	100%	100%	100%	
ONYX	ONYX HEALTHCARE (SHANGHAI) LTD. (OCI)	Sales of medical PC and peripherals	100%	100%	100%	Note 1
ONYX	IHELPER INC. (IHELPER)	R&D and sales of medical robots	46%	46%	46%	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

			(			
Investor	Subsidiary name	Business	2024/9/30	2023/12/31	2023/9/30	Notes
JETWAY	TOP NOVEL ENTERPRISE CORP. (TOPNOVEL)	Investing of computer peripheral business	100%	100%	100%	Note 3
JETWAYFE	SCORETIME INVESTMENT LIMITED (SCORETIME)	Investing of computer peripheral business	100%	100%	100%	Note 1 and 3
TOPNOVEL	CANDID INTERNATIONAL CORP. (CANDID)	Investing of computer peripheral business	100%	100%	100%	Note 3
CANDID	FUJIAN CANDID INTERNATIONAL CO., LTD. (FUJIAN)	Manufacturing and selling of computer and peripheral equipment	100%	100%	100%	Note 3

- Note 1: Given that the entities did not meet the definitions of material subsidiary, their financial reports as of September 30, 2024 and 2023, were not reviewed by auditors.
- 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.
- 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 September 30, 2024, December 31, 2023 and September 30, 2023, amounted to \$1,957,806, \$2,110,795 and \$2,070,988, respectively. The Group's subsidiaries with significant non-controlling interests are as follows:

		Non-controlling interests		 Non-controll	ing interests	
		2024/9/30		2023/	12/31	
Subsidiary	Main business	Ownership				Ownership
Name	location		Amount	interest	Amount	interest
ONYX	Taiwan	\$	761,862	51.59%	\$ 778,295	51.49%
JETWAY	Taiwan	\$	1,187,770	64.73%	\$ 1,323,547	64.73%

		Non-controlling interests		
		2023/9/30		
Subsidiary	Main business		Ownership	
Name	location	 Amount	interest	
ONYX	Taiwan	\$ 750,109	51.48%	
JETWAY	Taiwan	\$ 1,311,918	64.73%	

#### Summarized financial information of subsidiaries:

#### Balance sheet

				ONYX		
	·	2024/9/30		2023/12/31		2023/9/30
Current asset	\$	823,035	\$	870,965	\$	968,397
Non-current assets		1,271,058		1,117,243		1,168,131
Current liability	(	394,554)	(	305,151)	(	438,861)
Non-current liabilities	(	214,402)	(	222,511)	(	231,427)
Total Net Assets	\$	1,485,137	\$	1,520,546	\$	1,466,240

			JETWAY	
		2024/9/30	2023/12/31	2023/9/30
Current asset	\$	1,288,259	1,325,707	\$ 1,322,593
Non-current assets		1,217,248	1,231,257	1,235,934
Current liability	(	475,807) (	313,690)(	333,814)
Non-current liabilities	(	194,240) (	198,413)(	197,818)
Total Net Assets	\$	1,835,460 \$	2,044,861	\$ 2,026,895

#### Statement of comprehensive income

	ONYX				
		For the three-more	nth per	riods ended	
		Septem	ber 30	),	
		2024		2023	
Income	\$	284,008	\$	372,247	
Profit before tax	\$	30,388	\$	79,336	
Income tax expense	(	3,624)	(	14,114)	
Net income		26,764		65,222	
Other comprehensive income (net amount after tax)	(	3,737)		7,052	
Total comprehensive income	\$	23,030	\$	72,274	
Total comprehensive income attributable to non-controlling interest	\$	11,897	\$	37,195	
Cash dividends for non-controlling interest	\$	53	\$	-	

		ONY	ZΧ	
		For the nine-mont		
		Septemb 2024	er su	2023
Income	\$	858,686	\$	1,058,063
Profit before tax	\$	128,535	\$	219,733
Income tax expense	(	13,219		30,895)
Net income	`	115,316	/ (	188,838
Other comprehensive income (net amount after tax)		8,659		12,941
Total comprehensive income	\$	123,975	\$	201,779
Total comprehensive income attributable to non-controlling interest	\$	64,282	\$	103,460
Dividends paid to non-controlling interest	\$	86,348	\$	85,087
		JETW	ΆΥ	
		For the three-mon		riods ended
		Septemb	_	
		2024		2023
Income	<u>\$</u> \$	316,626	\$	385,433
Profit before tax	\$	42,815	\$	68,137
Income tax expense	(	14,820)	(	17,371)
Net income		27,995		50,766
Other comprehensive income (net amount after tax)		68	_	18,801
Total comprehensive income	\$	28,063	\$	69,567
Total comprehensive income attributable to non-controlling interest	\$	18,164	\$	45,027
Dividends paid to non-controlling interest	\$	<u>-</u>	\$	
		JETW	ΔV	
	Fo	or the nine-month		om April 28, to
		periods ended		September 30,
	Se	eptember 30,2024		2023
Income	\$	977,091	\$	606,923
Profit before tax	\$	154,544	\$	91,756
Income tax expense	(	50,204)	(	24,628)
Net income		104,340		67,128
Other comprehensive income (net amount after tax)		23,683		9,776
Total comprehensive income	\$	128,023	\$	76,904
Total comprehensive income attributable to non-controlling interest	\$	82,834	\$	49,776
Dividends paid to non-controlling interest	\$	97,067	\$	121,333

		ONYX			
		For the nine-mon	th per	riods ended	
		Septem	ber 30	0,	
		2024		2023	
Net cash inflow (outflow) from operating activities	\$	62,641	\$	298,824	
Net cash flows used in investing activities	(	50,862)	(	168,444)	
Net cash inflow (outflow) from financing activities	(	107,098)	(	124,835)	
Effects of exchange rate changes on cash and cash equivalents		4,977		5,760	
Increase (decrease) in current cash and cash equivalents	s (	90,342)		11,305	
Cash and cash equivalents at the beginning of periods	,	366,767		328,886	
Cash and cash equivalents at the end of periods	\$	276,425	\$	340,191	

TETMIAN

	JETWAY				
	For t	the nine-month	Fre	om April 28, to	
	ре	eriods ended	S	September 30,	
	Sept	ember 30,2024		2023	
Net cash inflow (outflow) from operating activities	\$	129,396	\$	174,026	
Net cash flows used in investing activities	(	124,098)		75,163	
Net cash inflow (outflow) from financing activities	(	158,601)	(	191,236)	
Effects of exchange rate changes on cash and cash equivalents		19,944		2,126	
Increase (decrease) in current cash and cash equivalents	(	133,359)		60,079	
Cash and cash equivalents at the beginning of periods		865,919		758,967	
Cash and cash equivalents at the end of periods	\$	732,560	\$	819,046	

#### V. <u>Significant Accounting Judgments, Estimations, and Major Sources of Assumption Uncertainty</u>

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

	 2024/9/30	2023/12/31	2023/9/30
Cash on hand and petty cash	\$ 4,353 \$	4,392	\$ 5,985
Check deposit and demand deposit	2,217,251	2,397,774	2,130,252
Time deposit	1,900,749	1,945,810	2,054,030
Total	\$ 4,122,353 \$	4,347,976	\$ 4,190,267

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

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

Item		2024/9/30		2023/12/31		2023/9/30
Current:						
Financial assets						
mandatorily measured at						
fair value through profit or						
loss Listed and OTC stocks	\$	05 170	\$	01 429	\$	01 429
	Ф	85,178	Ф	91,428	Ф	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		352,148		125,212	(	123,104)
Subtotal	\$	570,226	\$	423,284	\$	421,176
Non-current:						
Financial assets						
mandatorily measured at						
fair value through profit or						
loss						
Unlisted and non-OTC stocks	\$	111,113	\$	59,070	\$	59,070
Hybrid instrument		10,832		10,832		10,832
•		121,945		69,902		69,902
Valuation adjustment	(	50,011)(		7,271)	(	10,618)
Subtotal	\$	71,934	\$	62,631	\$	59,284
			<del></del>			<del></del>

- 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 September 30, 2024, December 31, 2023 and September 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	ber 30,			
		2024		2023	
Financial assets mandatorily measured at fair value through profit or loss					
Equity instruments	(\$		52,431)(\$		35,339)
Beneficiary certificates			99		81
Convertible bond	(		4,500)		16,800
Derivatives			-		178
Hybrid instrument			836		72
Total	(\$		55,996)(\$		18,208)

	For	the nine-month per	led September 30,			
		2024		2023		
Financial assets mandatorily measured at fair value through profit or loss				_		
Equity instruments	\$	164,234	\$	98,112		
Beneficiary certificates		278		236		
Convertible bond	(	1,000	)	28,100		
Derivatives		345	(	279)		
Hybrid instrument		205	(	646)		
Total	\$	164,062	\$	125,523		

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

<u>Item</u>		2024/9/30		2023/12/31		2023/9/30
Non-current:						
Equity instrument						
Listed and OTC stocks	\$	89,184	\$	71,769	\$	57,219
Unlisted and non-OTC stocks		100,534		39,334		39,334
Valuation adjustment	(	39,779)	(	42,347)	(	39,190)
Total	\$	149,939	\$	68,756	\$	57,363

- 1. The Group has elected to classify strategic investments as financial assets measured at fair value through other comprehensive income. The fair value of the investments amounted to \$149,939, \$68,756 and \$57,363 on September 30, 2024, December 31, 2023, and September 30,2023 separately.
- 2. Amounts recognized in profit of loss in relation to financial assets at fair value through other comprehensive income are listed below:

	For the	For the three-month periods ended September				
	2	024	20	23		
Financial asset at fair value through other comprehensive income Recognized in other comprehensive income (loss)	(\$	911)(	\$	2,237)		
The dividend income recognized in profit or loss for those still held at the end of the current period.	· 	1,512	\$	-		
period.						

			eriods ended September 30,			
		2024	-	2023		
Financial asset at fair value through other comprehensive income Recognized in other comprehensive income	\$	2,568	(\$	2,237)		
(loss)	Ψ	2,200	( 4	2,23 ( )		
Transfer to retained earnings from derecognition of financial assets	\$	-	(\$	4,845)		
The dividend income recognized in profit or loss for those still held at the end of the current period.	\$	5,441	\$	-		

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

#### (IV) Notes and accounts receivables

	2	2024/9/30		023/12/31	2023/9/30	
Notes receivable	\$	31,109	\$	13,400	\$	11,524
Accounts receivable	\$	832,288	\$	939,430	\$	1,019,218
Less: Loss allowance	(	<u>19,112</u> )	(	19,864)	(	20,525)
	\$	813,176	\$	919,566	\$	998,693

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

Notes receivable	2024/9/30 2023/12/31		2023/9/30
Not past due	\$ 31,109	\$ 13,400	\$ 11,524
Accounts receivable	2024/9/30	2023/12/31	2023/9/30
Not past due	\$ 644,077 \$	763,274	\$ 793,803
Within 30 days	122,355	115,098	144,029
31-60 days	18,667	43,877	37,827
61-90 days	17,437	106	16,586
91-180 days	15,367	2,199	12,108
Over 181 days	14,385	14,876	14,865
	\$ 832,288 \$	939,430	\$ 1,019,218

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 September 30, 2024, December 31, 2023 and September 30, 2023 had arisen entirely from customers' contracts. Balance receivable on customers' contracts and allowance for losses as of January 1, 2022 were \$1,156,626 and \$21,597, respectively.
- 4. Regardless of any collateral held or other credit enhancements, the maximum exposure to the credit risk of notes receivables as of September 30, 2024, December 31, 2023 and September 30, 2021 were \$11,524, \$17,615 and \$6,691, respectively, and the maximum exposure to the credit risk of accounts receivable as of September 30, 2024, December 31, 2023 and September 30, 2023 were \$813,176, \$919,566 and \$998,693, respectively.
- 5. Please refer to Note 12 (2) for credit risk information of notes and accounts receivable.

#### (V) Inventories

	 Cost	Valuation allowance	Carrying amount
Raw material	\$ 730,549 (	\$ 91,127	) \$ 639,422
Work in progress	471,529 (	36,439	) 435,090
Finished good	356,591 (	52,239	304,352
Merchandise Inventories	 74,017 (	18,314	55,703
Total	\$ 1,632,686 (	\$ 198,119	\$ 1,434,567
		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

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	Cost		Valuation allowance		Carrying amount	
Raw material	\$	947,485	(\$	121,833)	\$	825,652
Work in progress		507,736	(	29,603)		478,133
Finished good		355,588	(	44,901)		310,687
Merchandise Inventories		86,165	(	21,060)		65,105
Inventories in transit		871				871
Total	\$	1,897,845	(\$	217,397)	\$	1,680,448

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

	Fo	For the three-month periods ended September 30,					
	<u> </u>	2024		2023			
Cost of Inventories sold	\$	1,161,056	\$	1,299,231			
Inventories obsolescence and devaluation loss	(	10,261)		9,260			
Losses on disposal of inventories		846		39			
Others		94		1,547			
	\$	1,151,735	\$	1,310,077			

	1	for the nine-month peri-	ods end	led September 30,		
		2024	2023			
Cost of Inventories sold	\$	3,543,233	\$	3,935,002		
Inventories obsolescence and devaluation loss (reversal gain)	(	4,223)		5,820		
Losses on disposal of inventories		986		114		
Others		1,010		1,663		
	\$	3,541,006	\$	3,942,599		

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 July 1 to September 30, 2024, and from January 1 to September 30, 2024.

#### (VI) Investments accounted for under equity method

		2024		2023
At January 1	\$	4,138,921	\$	4,143,549
Increase in Investments accounted for under equity method		3,548		14,380
Reclassification		-		25,155
Share of investment income accounted for using the equity method		119,650		179,585
Distribution of investment income accounted for using the equity method	(	289,560)	(	365,397)
Changes in capital surplus		7,444		67,812
Changes in other equity		37,459		80,972
At September 30	\$	4,017,462	\$	4,146,056

	2024	1/9	/30	2023/12/31					
Investee	Ownership (%)		Book value	Ownership (%)		Book value			
LITEMAX ELECTRONICS INC.	11.86	\$	113,768	11.91	\$	114,718			
IBASE TECHNOLOGY	26.72		3,232,695	26.82		3,359,992			
INC. WINMATE INC.	12.85		636,385	13.08		629,526			
PROTECTLIFE INTERNATIONAL BIOMEDICAL INC.	11.08		34,614	11.27		34,685			
BIOMEDICIAL INC.		\$	4,017,462		\$	4,138,921			

	2023/9	0/30		
Investee	Ownership (%)	Book value		
LITEMAX ELECTRONICS INC	11.92 \$	108,467		
ELECTRONICS INC. IBASE				
TECHNOLOGY	26.83	3,377,804		
INC.				
WINMATE INC.	13.10	623,686		
PROTECTLIFE				
INTERNATIONAL	11.27	36,099		
BIOMEDICAL INC.				
	\$	4,146,056		

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

#### Balance sheet

		IBASE TECHNOLOGY INC.							
		2024/9/30		2023/12/31	2023/9/30				
Current asset	\$	5,856,161	\$	6,386,855	\$	6,895,274			
Non-current assets		7,100,065		7,183,821		7,050,095			
Current liability	(	2,416,981)	(	2,686,379)	1,982,0				
Non-current liabilities	(	2,092,684)	(	2,255,564)	3,284,139				
Net assets fair value of trade marks, other intangible and tangible assets adjustment		977,215		1,269,201		1,353,603			
Adjusted Net Assets	\$	9,423,776	\$	9,897,934	\$	10,032,796			
Share of net assets of affiliate	the \$	2,254,277	\$	2,381,574	\$	2,399,386			
Goodwill		978,418		978,418		978,418			
Book value of associates		3,232,695	\$	3,359,992	\$	3,377,804			

#### Statement of comprehensive income

	IBASE TECHNOLOGY INC.								
		For the three-month periods ended September 30,							
		2024		2023					
Income	\$	1,423,326	\$	1,509,773					
Net income of continuing operations	·	79,412		270,291					
Other comprehensive income (net amount after tax)	(	80,794)		37,074					
Total comprehensive income	(	1,382)		307,365					
Fair value adjustment	(	38,134)	(	38,134)					
Adjusted total comprehensive income	(\$	39,516)	\$	269,231					
Dividends received from associates	\$	221,196	\$	295,539					
	IBASE TECHNOLOGY INC.								
	For the nine-month periods ended								
		Septem	ber 30	,					
		2024		2023					
Income	\$	3,725,409	\$	4,655,537					
Net income of continuing operations		419,151		703,401					
Other comprehensive income (net amount after tax)		148,955		253,072					
Total comprehensive income		568,106		956,473					
Fair value adjustment	(	114,401)	(	114,174)					
Adjusted total comprehensive income	\$	453,705	\$	842,299					
Dividends received from associates	\$	221,196	\$	295,539					
The Group's share of their operating results	of associ	ates that are indiv	idually	not significant					

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

	September 30,							
		2024		2023				
Net income of continuing operations	\$	25,578	\$	24,628				
Other comprehensive income (loss) (net amount after tax)	(	1,434	)	6,169				
Total comprehensive income	\$	24,144	\$	30,797				

	F	or the nine-mon Septem	th periods ended ber 30,		
		2024		2023	
Net income of continuing operations	\$	70,856	\$	64,661	
Other comprehensive income (net amount after tax)		2,215		10,456	
Total comprehensive income	\$	73,071	\$	75,117	

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

	 2024/9/30		2023/12/31	2023/9/30		
LITEMAX ELECTRONICS INC. IBASE	\$ 396,189	\$	237,713	\$	233,200	
TECHNOLOGY INC.	3,947,970		4,270,794		5,027,576	
WINMATE INC.	 1,480,258		1,254,890		1,178,060	
	\$ 5,824,417	\$	5,763,397	\$	6,438,836	

- 4. Although the Group holds less than 20% of the voting power of Litemax Electronics Inc., it has significant influence to Litemax and has adopted the equity method for evaluation as its shareholding percentage is the highest, and has also been serving as a director of Litemax.
- 5. Although the Group holds less than 20% of the voting power of Winmate Inc., it has adopted the equity method for evaluation as its subsidiary Onyx has served as a director of Winmate Inc.
- 6. The Group originally holds 6.3% equity stake of PROTECTLIFE INTERNATIONAL BIOMEDICAL INC. After participating in its cash capital increase on February 9, 2023, the Group's ownership percentage increased to 11.54%. Although it holds less than 20%, when considering the group's shares together with those held by another related party, FU LI INVESTMENT INC. (a subsidiary with its chairman serving as a director of ONYX), the ownership percentage reached 20%. And the chairman of the subsidiary, who holds a significant influence, serves as a director of PROTECTLIFE INTERNATIONAL BIOMEDICAL INC. Therefore, starting from February 9, 2023, the equity method is applied for the evaluation of the investment. Additionally, the Group's participated in its cash capital increase on July 21, 2024 and July 21, 2023, the ownership percentage increased to 11.08% and 11.27%, separately.
- 7. On June 11, 2018, the Company signed a share agreement with IBASE issuing 41,698 thousand shares to acquire 52,922 thousand shares of IBASE., with the swap date set for September 29, 2018. The Group holds 26.83% of the votting power of IBASE. As of September 30, 2024, the Group holds 26.72% votting power, remaining its largest shareholder. However, based on other shareholders' participation and voting records in past meetings, the Group has no actual ability to direct relevant activities. Therefore, the Group has no control over the company and only has a significant influence.
- 8. The Group holds 11.86% of the votting power of LITEMAX ELECTRONICS INC., as the single largest shareholder. Considering that the remaining 88.14% of LITEMAX's equity is concentrated in investors from other parties, the number of votes for the minority voting rights holders to act together has surpassed that of the Group, Therefore, the Group has no control over the company and only has significant influence on LITEMAX.

#### (VII) Property, Plant and Equipment

						20	024					
	Land		1	Buildings			Other quipment				Total	
January 1 Cost	\$	714,261	\$	977,482	\$	239,666	\$	283,009	\$	343	\$	2,214,761
Accumulated	Ψ	/14,201	Ψ	777,402	Ψ	237,000	Ψ	203,007	Ψ	543	Ψ	2,214,701
depreciation and impairment		-	(	310,886)	(	177,379)	(	206,812)		-	(	695,077)
•	\$	714,261	\$	666,596	\$	62,287	\$	76,197	\$	343	\$	1,519,684
January 1	\$	714,261	\$	666,596	\$	62,287	\$	76,197	\$	343	\$	1,519,684
Additions		-		2,835		43,181		16,357		1,346		63,719
Disposal		-	(	3)	(	504)	(	651)		-	(	1,158)
Reclassification	(	98,104	) (	57,698)		2,737		3,026	(	1,689)	(	151,728)
Depreciation expense		-	(	20,243)	(	12,731)	(	25,582)		-	(	58,556)
Net exchange differences		2,377		10,405		922		717		-		14,421
September 30	\$	618,534	\$	601,892	\$	95,892	\$	70,064	\$		\$	1,386,382
September 30												
Cost	\$	618,534	\$	931,319	\$	263,073	\$	286,933	\$	-	\$	2,099,859
Accumulated												
depreciation and impairment		-	(	329,427)	(	167,181)	(	216,869)		-	(	713,477 )
<b>r</b>	\$	618,534	\$	601,892	\$	95,892	\$	70,064	\$	-	\$	1,386,382

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′)	ſ١	′)	

	Lan	d	Buildings		achinery equipment	ec	Other quipment	in pr	nstruction rogress and quipment under stallation		Total
January 1							<u> </u>			-	
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)
шрантен	\$ 490.	453	\$ 208,227	\$	50,924	\$	47,767	\$	8,370	\$	805,741
January 1	\$ 490.	.453	\$ 208,227	\$	50,924	\$	47,767	\$	8,370	\$	805,741
Additions		,523	13,846		9,561		24,360		14,256		99,546
Disposal		- (	2)	(	95)	(	2,268)		· -	(	2,365)
Reclassification		-	29,865		8,479		6,053	(	17,971	)	26,426
Depreciation expense		- (	15,873 )	(	11,004)	(	21,248)		-	(	48,125)
Effects due to changes in consolidated entities	186,	,298	438,154		8,592		13,288		-		646,332
Net exchange differences	3,	,924	2,960	(	64)		303		-	(	7,123)
September 30	\$ 718.	,198	\$ 677,177	\$	66,393	\$	68,255	\$	4,655	\$	1,534,678
September 30 Cost	\$ 718.	.198 5	\$ 985,616	\$	242,297	\$	268,447	\$	4,655	\$	2,219,213
Accumulated	÷ /10,	,	2 30,010	*	- ·-, <del>-</del> > /	7	,,	*	.,000	4	_,,_ <b>,_ 1</b>
depreciation and impairment		- (	308,439)	(	175,904)	(	200,192)		-	(	684,535)
ı	\$ 718.	,198	\$ 677,177	\$	66,393	\$	68,255	\$	4,655	\$	1,534,678

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

- 1. The above property, plant and equipment are assets for self-use requirement.
- 2. There was 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 are 43 years, remaining are typically made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions, the lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- 2. The lease term of part of the Group's houses and transportation equipment is no more than 12 months, with leases of office equipment which are low-value assets.
- 3. The carrying amount of right-of-use assets and the amount of depreciation expense recognized are as follows:

		2024/9/30	2023/12/31	2023/9/30
	Car	rying amount	Carrying amount	Carrying amount
Building	\$	156,727	\$ 136,523	\$ 131,797
Transportation equipment		12,056	7,482	7,158
Land use right		41,536	41,367	42,108
Other equipment		486	1,244	1,351
	\$	210,805	\$ 186,616	\$ 182,414

For the three-month periods ended September 30,

	september 50,						
		2024	2023  Depreciation expense				
	Depreci	ation expense					
Building	\$	15,490	\$	14,484			
Transportation equipment		1,885		1,422			
Land use right		284		280			
Other equipment		87		107			
	\$	17,746	\$	16,293			
	For the nine-month periods ended September 30,						
		2024		2023			
	Depreci	ation expense	Depreci	ation expense			
Building	\$	46,206	\$	36,794			
Transportation equipment		4,851		4,255			
Land use right		847		466			
Other equipment		287		321			
	\$	52,191	\$	41,836			

- 4. For the nine-month periods ended September 30, 2024 and 2023 to the acquisitions of right-of use assets were \$73,464 and \$35,633, respectively.
- 5. The information on income and expense accounts relating to lease contracts is as follows:

For the three-month periods ended September 30

		50,		
		2024		2023
Items affecting profit or loss				
Interest expenses on lease liabilities	\$	1,194	\$	831
Expenses on short-term lease contracts		3,355		3,741
Expenses on leases of low-value assets		25		17
Loss on lease modification		-	(	6)

# For the nine-month periods ended September 30,

		',		
		2024		2023
Items affecting profit or loss				
Interest expenses on lease liabilities	\$	3,469	\$	2,175
Expenses on short-term lease contracts		10,557		13,267
Expenses on leases of low-value assets		102		98
Gain on lease modification		542		18

<sup>6.</sup> For the nine-month periods ended September 30, 2024 and 2023, the Group's total cash outflow for leases was \$61,934 and \$55,451, respectively.

#### (IX) Investment property

				2024		
	-	Land		Buildings		Total
January 1 Cost Accumulated	\$	128,073	\$	146,443	\$	274,516
depreciation and		-	(	82,724)	(	82,724)
impairment				· 		
	\$	128,073	\$	63,719	\$	191,792
January 1 Disposal	\$	128,073	\$	63,719 1,290)	\$	191,792 1,290)
Reclassification (Nata 1)		98,104		59,477		157,581
(Note 1) Depreciation expense Net exchange		-	(	6,027)	(	6,027)
differents		-		1,641		1,641
September 30	\$	226,177	\$	117,520	\$	343,697
September 30	_					
Cost	\$	226,177	\$	220,078	\$	446,255
Accumulated depreciation and impairment		-	(	102,558)	(	102,558)
-	\$	226,177	\$	117,520	\$	343,697

				2023			
		Land		Buildings	Total		
January 1 Cost Accumulated	\$	128,073	\$	192,206	\$	320,279	
depreciation and impairment		-	(	97,350)	(	97,350)	
1	\$	128,073	\$	94,856	\$	222,929	
January 1	\$	128,073	\$	94,856	\$	222,929	
Reclassification (Note 1)		-	(	24,145)	(	24,145)	
Depreciation expense		-	(	4,706)	(	4,706)	
Net exchange differents		-		58		58	
September 30	\$	128,073	\$	66,063	\$	194,136	
September 30	_						
Cost	\$	128,073	\$	148,803	\$	276,876	
Accumulated depreciation and impairment		-	(	82,740)	(	82,740)	
1	\$	128,073	\$	66,063	\$	194,136	

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 September 30.

	For the three-month periods ended September 30,						
Rent income Related direct operating cost & expense		2024	2023				
	\$	3,315	\$	3,569			
	\$	2,206	\$	1,560			
	For th	ne nine-month peri	ods ended Sept	tember 30,			

 <u> </u>		1	
2024			
\$ 8,685	\$		9,877
\$ 6,027	\$		4,706
-	\$ 8,685	\$ 8,685	\$ 8,685

- 2. The fair value of investment property for the year ended September 30, 2024, December 31, 2023 and September 30, 2023 was \$506,218, \$348,631 and \$347,428 which base on the evaluation results of nearby transaction prices.
- 3. The Group's investment properties used as collateral for borrowings are detailed in the Notes 8.

#### (X) Intangible assets

	_	Patent and Expertise		Computer Software	 Goodwill		Customer lationship		Total
January 1, 2024 Cost Accumulated		\$ 70,691	\$	75,780	\$ 204,390	\$	465,859	\$	816,720
amortization and	(	7,900)	(	64,299)	-	(	44,368)	(	116,567)
impairment	-	\$ 62,791	\$	11,481	\$ 204,390	\$	421,491	\$	700,153
January 1, 2024		\$ 62,791	\$	11,481	\$ 204,390	\$	421,491	\$	700,153
Additions- from acquisitions		-		17,318	-		-		2,614
Amortization	(	8,802)	(	10,101)	-	(	42,913)	(	40,835)
Net exchange differences		9		10	-		-		19
September 30, 2024	=	\$ 53,998	\$	18,708	\$ 204,390	\$	371,578	\$	648,674
September 30, 2024 Cost		\$ 70,691	\$	69,846	\$ 204,390	\$	465,859	\$	834,038
Accumulated amortization and impairment	(	16,693)	(	74,390)	-	(	94,281)	(	185,364)
impairment	-	\$ 53,998	\$	18,708	\$ 204,390	\$	371,578	\$	648,674
		Patent and		Computer		C	Customer		
	_	Expertise		Software	 Goodwill	Re	lationship		Total
January 1, 2023 Cost		\$ 385	\$	66,511	\$ -	\$	-	\$	66,896
Accumulated amortization and impairment	(	59)	(	53,524)	-		-	(	53,583)
<b>-</b>	-	\$ 326	\$	12,987	\$ 	\$	_	\$	13,313
January 1, 2023		\$ 326	\$	12,987	\$ -	\$	-	\$	13,313
Additions- from acquisitions Additions- due to		-		2,614	-		-		2,614
changes in consolidated entities		70,306		721	204,390		465,859		741,276
Amortization	(	4,908)	(	8,197)	_	(	27,730)	(	40,835)
Net exchange differences	`		(	5)	-		-	`	10
September 30, 2024	-	\$ 65,739	\$	8,120	\$ 204,390	\$	438,129	\$	716,378
September 30, 2024 Cost Accumulated		\$ 70,691	\$	69,846	\$ 204,390	\$	465,859	\$	810,786
amortization and									
impairment	(	4,952)	(	61,726)	-	(	27,730)	(	94,408)

- 1. Please refer to the Note 6 (27) for business combinations.
- 2. As of September 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 September 30, 2024 was 17.23%.

There's no impairment loss of goodwill recognized from the above assessment mentioned in the nine-month periods ended September 30, 2024.

#### 3. The details of Amortization as below:

	For the three-month periods ended September 30,				
		2024	2023		
Operating cost	\$	364	\$	85	
Selling expense		403		149	
General and administrative expenses Research and development expenses		20,513		20,755	
		2,461		1,546	
	\$	23,741	\$	22,535	
	F	For the nine-month perio	ds ende	d September 30,	
Operating cost	\$	720	\$	166	
Selling expense		948		421	
General and administrative expenses		61,550		35,337	
Research and development expenses		5,598		4,911	
	\$	68,816	\$	40,835	

## (XI) Short-term borrowings

Type of borrowing	2024/9/30	Interest rate range	Collateral
Borrowings from banks			
Credit borrowings	\$ 60,000	2.07%~2.20%	Note
Guaranteed borrowings	30,000	2.21%	Refer to Note 8
	\$ 90,000		

Nature of the borrowing	2	023/12/31	Interest rate range	Collateral
Bank borrowings				
Credit borrowings	\$	27,000	0.50%	Refer to Note 8
Type of borrowing Borrowings from banks		2024/9/30	Interest rate range	e Collateral
Guaranteed borrowing	s <u>\$</u>	27,0	0.50%	Refer to Note 8

The interest recognized in profit or loss for the three-month period ended of September 30, 2024 and 2023, the nine months ended September 30, 2024 and 2023 were \$229, \$108, \$300 and \$108, respectively.

# (XII)Long-term borrowings

Type of borrowing	Period and Repayment method	Interest rate range	Collateral	2024/9/30
Borrowings from banks				
Guaranteed borrowings	2021.5.28-2036.5.28 Monthly amortization of principal and interest	1.975%	Land, Buildings	\$ 137,181
Less: Current portions of lo			(	10,560)
•			<u>`</u>	\$ 126,621
Type of borrowing	Period and Repayment method	Interest rate range	Collateral	2023/12/31
Borrowings from banks				
Guaranteed borrowings	2021.5.28-2036.5.28 Monthly amortization of principal and interest	1.85%	Land, Buildings	\$ 144,975
Less: Current portions of lo	ng-term loans		(	10,476)
			·-	\$ 134,499
Type of borrowing	Period and Repayment method	Interest rate range	Collateral	2023/9/30
Borrowings from banks				_
Guaranteed borrowings	2021.5.28-2036.5.28 Monthly amortization of principal and interest	1.85%	Land, Buildings	\$ 147,566
Less: Current portions of lo	ng-term loans		(	10,427)
			-	\$ 137,139

- 1. The interest recognized in profit or loss for the three-month period ended of September 30, 2024 and 2023, the nine months ended September 30, 2024 and 2023 were \$691, \$732, \$2,051 and \$2,091, respectively.
- 2. Please refer to Note 8 for the guarantee status of long-term borrowings.

# (XIII)Other Payables

	2024/9/30	2023/12/31	2023/9/30
Accured payroll, employee's compensation and bonuses	\$ 389,178	\$ 446,691	\$ 391,687
Accured technical service fee (Note)	45,256	37,691	42,051
Payable for Capital Reduction	121,333	-	-
Others	223,781	187,968	182,260
	\$ 779,548	\$ 672,350	\$ 615,998

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 for the three-month period ended September 30, 2024 and 2023, and for the nine-month period ended September 30, 2024 and 2023, were \$0, \$86, \$0, \$143, respectively.
  - (3) Expected contribution to the defined benefit pension plans of the Group for 2024 was \$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 JETWAY (USA) 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 \$14,202, \$13,717, \$42,847, and \$36,991 for the three months periods ended September 30, 2024 and 2023, and for the nine months periods ended September 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 nine months periods ended September 30, 2024 and 2023:

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

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

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

		For the nine-months periods ende			
		September 30, 2024			
		No. of units (shares in thousands)	Weig aver exercise (in do	age	
Options outstanding at beginning of period		1,218	\$	60.7	
Options exercised	(	941)		59.8	
Options outstanding at the end of period		277		55.4	
Options exercisable at the end of period		277			
		For the nine-mont	hs periods	ended	
		September	_		
		•	Weig	hted	
		No. of units	aver	age	
		(shares in	exercise	e price	
		thousands)	(in do	ollars)	
Options outstanding at beginning of period		1,877	\$	63.1	
Options exercised	(	493)		62.8	
Options outstanding at the end of period		1,384		60.7	
Options exercisable at the end of period	=	743			

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

			2024	4/9/30
Arrangement type	Authorized issue date	Maturity date	No. of units (shares in thousands)	Exercise price (in dollars)
Plan of employee stock options	2019.11.26	2024.11.25	277	\$ 55.4
			2023	3/12/31
			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	3/9/30
			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	1,384	\$ 60.7
(4) The fair value	of employee stoc	k options is mea	asured using the	Black-Scholes

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

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

(5) Expenses of share-based payment transaction:

	For the three-months periods ended September 30,					
	202	4	2023			
Equity settlement	\$		\$	597		
	For the nine-months periods ended September 30,					
	202	4		2023		
Equity settlement	\$		\$	1,792		

# 2. Subsidiary- ONYX HEALTHCARE INC. (ONYX)

(1) ONYX had the following share-based payment agreement active for the nine-month period ended September 30, 2024 and 2023:

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

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

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

For the nine-month

		For the nine-month periods ended				
	_	September 30, 2024				
				Weighted average		
		No. of units		exercise price		
	_	(shares in thousands)		(in dollars)		
Options outstanding at beginning of period		625	\$	110.50		
Options exercised	(	71 )	)	99.18		
Options expired	(	6	)	-		
Options outstanding at the end of period		548		94.10		
Options exercisable at the end of period		548				
	-	For the nine-mont	h p	periods ended		
		September				
	-			Weighted average		
		No. of units		exercise price		
	_	(shares in thousands)		(in dollars)		
Options outstanding at beginning of period		872	\$	114.7		
Adjustment of employee stock options		52		-		
Options exercised	(	245)	)	111.0		
Options expired	(	44	)	-		
Options outstanding at the end of period		635		110.5		
Options exercisable at the end of period		415				
	-					

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

			2024/9/30				
Arrangement type	Authorized issue date	Maturity date	No. of units (shares in thousands)	Exercise price (in dollars)			
Plan of employee stock options	2020.08.06	2025.08.06	548	\$ 94.10			
			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	2023/12/31			
			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	635	\$ 110.5			

(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	For the three-months periods ended September 30,								
	2	2024	2023							
Equity settlement	\$	385	\$	897						
	For the	e nine-months pe	riods ended Se	ptember 30,						
	2	2024		2023						
Equity settlement										

#### (XVI)Share capital

1. As of September 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 \$1,693,692(including capital collected in advance \$3,820), divided into 169,369 thousand shares, each at par value of NT\$10 per share. Proceeds have been fully collected for the issued shares.

	2024	2023
January 1	160,407	149,225
Employee stock options exercised	941	493
Capital Surplus for issuance of new Shares	8,021	-
Issuance of new shares in exchange for other company's shares	-	10,523
September 30	169,369	160,241

- 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 September 30, 2024, the Company 's associates IBASE owned 43,773 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 8,021 thousands new shares, each with a par value of NT\$10. The plan to increase capital by transferring the capital surplus was approved by the Securities and Futures Bureau of the Financial Supervisory Commission on July 3, 2024, the change has been registered with the relevant authorities in September, 2024.

6. On May 29, 2024, the company resolved in its shareholders' meeting to issue employee stock warrants, totaling 3,000 units. Each unit of the stock warrant entitles the holder to subscribe for 1,000 shares. The total number of new common shares to be issued due to the exercise of stock warrants is 3,000,000 shares, with a subscription price of NT\$100 per share. As of November 7, 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.

							2	2024			
	Sha	are premium	c c	fference between onsideration and arring amount of osidiaries acquired or disposed	F	Recognition of changes in ownership interest in subsidiary		Affiliate company net quity changes	Employee Share option	Others	Total
January 1	\$	5,697,133	\$	233,002	\$	240,006	\$	229,110	\$ 20,042	\$ 2,409	\$ 6,421,702
Stock dividends Changes in	(	80,204	)	-		-		-	-	- (	80,204)
Ownership Interest in Subsidiaries		-		- (		1,062)		-	-	- (	1,062)
Employee stock options exercised Change in associates and		61,708		-		3,067		- (	14,815 )	-	49,960
joint ventures accounted for under equity method		-		-		-		7,444	-	-	7,444
Share-based Payment		-		-		560		-	-	-	560
September 30	\$	5,678,637	\$	233,002	\$	242,571	\$	236,554	\$ 5,227	\$ 2,409	\$ 6,398,400

							2	023					
	Sha	are premium	ca	fference between onsideration and arring amount of sidiaries acquired or disposed	R	decognition of changes in ownership interest in subsidiary		Affiliate company net quity changes		Employee Share option		Others	 Total
January 1	\$	4,804,131	\$	233,002	\$	229,677	\$	164,713	\$	27,438	\$	2,409	\$ 5,461,370
Recognition of changes in ownership interest in subsidiary Employee stock		33,789		- (	(	3,770 ) 12,028		- - (		7,762	)	- (	3,770 ) 38,055
options exercised Effect from long-term investment that has not been recognized based on shareholding percentage		-		-		-		124		-	,	-	124
Change in associates and joint ventures accounted for under equity method		-		-		-		67,688		-		-	67,688
Issuance of new shares in exchange for other company's shares Share-based		848,183		-		-		-		-		-	848,183
Payment						1,315			_	1,903			 3,218
September 30	\$	5,686,103	\$	233,002	\$	239,250	\$	232,525	\$	21,579	\$	2,409	\$ 6,414,868

# (XVIII) Retained earnings

- 1. Under the Company's Article of Incorporation, the profit in a fiscal year, shall first be utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings at the beginning of the period shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.
- 2. 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% 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				022	
	 Dividend					Dividend per	
		share				share	
	 Amount	(in l	NT dollars)		Amount	(in NT dollars)	
Provision (reversal) of Special reserve	\$ -			(\$	52,446)		
Legal reserve	96,684				107,411		
Cash dividends	1,042,651	\$	6.50		746,127	\$ 5.00	
	\$ 1,139,335			\$	801,092		

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

# (XIX) Operating income

For the three-month periods ended September 30,								
	2024	2023						
\$	1,734,104	\$	2,063,003					
	For the nine-month peri	ods ended September 30,						
	2024		2023					
\$	5,455,659	\$	6,047,945					
	\$	\$ 1,734,104 For the nine-month period 2024	\$ 1,734,104 \$  For the nine-month periods ended \$ 2024					

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 September 30, 2024		IPC	Medical PC	Total		
Revenue from Contracts with Customers	\$	1,453,409	\$ 280,695	\$	1,734,104	
Timing of revenue recognition						
At a point time	\$	1,452,781	\$ 276,256	\$	1,729,037	
Over time		628	4,439		5,067	
Total	\$	1,453,409	\$ 280,695	\$	1,734,104	
For the nine-month periods ended September 30, 2024		IPC	 Medical PC		Total	
Revenue from Contracts with Customers	\$	4,602,309	\$ 853,350	\$	5,455,659	
Timing of revenue recognition						
At a point time	\$	4,600,360	\$ 839,055	\$	5,439,415	
Over time		1,949	 14,295		16,244	
Total	\$	4,602,309	\$ 853,350	\$	5,455,659	
For the three-month periods ended September 30, 2023		IPC	Medical PC		Total	
Revenue from Contracts with Customers	\$	1,690,801	\$ 372,202	\$	2,063,003	
Timing of revenue recognition						
At a point time	\$	1,690,306	\$ 368,824	\$	2,059,130	
Over time		495	3,378		3,873	
Total	\$	1,690,801	\$ 372,202	\$	2,063,003	
For the nine-month periods ended September 30, 2023		IPC	Medical PC		Total	
Revenue from Contracts with Customers	\$	4,991,738	\$ 1,056,207	\$	6,047,945	
Timing of revenue recognition			 			
At a point time	\$	4,990,301	\$ 1,039,775	\$	6,030,076	
Over time		1,437	16,432		17,869	
Total	\$	4,991,738	\$ 1,056,207	\$	6,047,945	

# 2. Contract liability

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

	2024/9/30		 2023/12/31	2023/9/30			2022/1/1	
Contract Liability - Current:								
Advances from customers	\$	237,759	\$ 216,338	\$	270,960	\$	244,311	
Warranty contract		8,470	9,226		9,675		10,900	
Contract Liability - Non-current:								
Advances from customers		39,010	44,848		46,917		54,939	
Warranty contract		17,013	13,838		14,300		18,486	
Total	\$	302,252	\$ 284,250	\$	341,852	\$	328,636	

(2) Recognized income of contract liabilities at January 1

For the three-month periods ended

		Tor the three-month periods ended							
		September 30,							
		2024		2023					
Beginning balance of contract liability	ilities Recog	gnized income							
Advances from customers	\$	24,386	\$	34,080					
Warranty contract		2,098		2,719					
Total	\$	26,484	\$	36,799					
		For the nine-mont	h perio	ods ended					
		Septemb	oer 30,						
		2024		2023					
Beginning balance of contract liabi	ilities Recog	nized income							
Advances from customers	\$	129,786	\$	166,133					
Warranty contract		6,983		8,244					
Total	\$	136,769	\$	174,377					

# (XX) Other income

For the three-month periods ended September 30, 2024 2023 Rental income \$ 5,534 \$ 5,629 2,947 Dividend income 360 8,481 \$ 5,989 For the nine-month periods ended September 30, 2024 2023 15,304 Rental income \$ \$ 16,312 Dividends income 15,290 10,191 26,503 \$ 30,594

# (XXI)Other gains and losses

	For	the three-month per	riods ended Sept	tember 30,		
		2024	2023	3		
Net losses on financial assets and liabilities at fair value through profit or loss	(\$	55,996)	(\$	18,208)		
Gain on foreign currency exchange	(	63,512)		90,043		
Losses on disposal of property, plant and equipment	(	1,298)		11)		
Depreciation on investment property, buildings.	(	2,206)		1,560)		
Losses on lease modification		- (		6)		
Government subsidy		15,373		1,215		
Other income		8,726		10,546		
	( \$	98,913)	\$	82,019		
	For	the nine-month per	iods ended Sept	ember 30,		
		2024	2023	3		
Net Gain(losses) on financial assets and liabilities at fair value through profit or loss	\$	164,062	\$	125,523		
Gain on foreign currency exchange		109,968		131,623		
Losses on disposal of property, plant and equipment	(	2,021)		2,365)		
Depreciation on investment property, buildings.	(	6,027)		4,706)		
Gain on lease modification		542		18		
Government subsidy		21,253		1,746		
Other income		35,111		35,680		
	\$	322,888	\$	287,519		
(XXII) Financial costs						
	F	or the three-month September	*			
		2024	2023	2023		
Interest expenses	\$	920 \$		840		

831

1,671

2,114 \$

Leased liabilities interest expenses

# For the nine-month periods ended September 30,

	2024	2023
Interest expenses	\$ 2,351	\$ 2,199
Leased liabilities interest expenses	3,469	2,175
	\$ 5,820	\$ 4,374

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

For the t	hree-month	periods	ended	Septem	ber 30,

		2024					2023				
	O	perating		Operating			(	Operating		Operating	
		cost		expense		Total		cost		expense	Total
Employee benefits expenses	\$	88,890	\$	327,747	\$	416,637	\$	95,531	\$	325,366	\$ 420,897
Depreciation expense		13,142		23,702		36,844		14,903		20,999	35,902
Amortization expenses		367		23,394		23,761		90		22,559	22,649

# For the nine-month periods ended September 30,

	2024						2023				
	(	Operating cost		Operating expense		Total		Operating cost		Operating expense	Total
Employee benefits expenses	\$	271,885	\$	1,000229	\$	1,272,114	\$	264,015	\$	905,306	\$ 1,169,321
Depreciation expense		40,798		69,949		110,747		37,376		52,585	89,961
Amortization expenses		729		68,177		68,906		183		40,994	41,177

# (XXIV) Employee benefit expenses

# For the three-month periods ended September 30,

	Septemeer 50,				
		2024	2023		
Salaries and wages	\$	367,436 \$	372,605		
Labor and health insurance fees		30,933	29,890		
Pension costs		14,202	13,803		
Other personnel expenses		4,066	4,599		
	\$	416,637 \$	420,897		

For the nine-month periods ended September 30.

	 2024	2023
Salaries and wages	\$ 1,125,738	\$ 1,040,180
Labor and health insurance fees	89,471	78,461
Pension costs	42,847	37,134
Other personnel expenses	 14,058	13,546
	\$ 1,272,114	\$ 1,169,321

- 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 September 30, 2024 and 2023, and for the nine months periods ended September 30, 2024 and 2023, based on the percentage stipulated in the Articles of Incorporation, employee compensation were estimated at \$12,880, \$29,483, \$65,434 and \$83,138, respectively, while the remuneration of directors were estimated at \$1,087, \$1,573, \$7,102 and \$4,775, respectively, which are recognized as salaries and wages.

Amounts for the period January 1 to September 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 September 30,					
		2024	2024			
Current tax:						
Current tax on profits for the period	\$	32,925	\$	78,838		
Surtax on undistributed Retained Earnings	(	76)	(	214)		
Adjustments in respect of prior period		2,976		127		
Total current income tax		35,825		78,751		
Deferred tax						
Origination and reversal of temporary differences	(	11,788)		11,430		
Income tax expense	\$	24,037	\$	90,181		
			_			

For the nine-month periods ended
September 30,

<del>701 70,</del>			
3			
185,769			
18,979			
4,118)			
200,630			
38,647			
239,277			

(2) Income tax relative to other comprehensive income:

For the three-month periods ended

	For the three-month periods ended					
	September 30,					
		2024	2023			
Differences in translation of foreign operations	(\$	611)	\$	9,645		
		For the nine-mor	nth peri	ods ended		
		Septen	nber 30	,		
		2024		2023		
Differences in translation of foreign operations	\$	12,387	\$	8,243		

2. Income tax returns of the Company and domestic subsidiaries have been assessed and approved by the Tax Authority as follows:

	Certification
The Company, AAEONI, ONYX, IHELPER INC.	2022
JETWAY	2021

# (XXVI)Earnings per share

		For t	the three-month period September 30,2024		l			
Dagia (dilutad) cominge non chara		amount fter-tax	Weighted average outstanding shares (in thousand)	Los	sses per hare dollars)			
Basic (diluted) earnings per share Profit attributable to ordinary shareholders of parent company Diluted earnings per share Dilutive effect of potential ordinary shares	\$	6,754	125,455	\$	0.05			
Employee stock options			183					
Employees' bonuses			436					
Profit attributable to ordinary shareholders of parent company plus assumed conversion of all dilutive	¢.	6.754	126.074	Ф	0.05			
potential ordinary shares	\$	6,754	126,074	\$	0.05			
	For the three-month periods ended September 30,2023							
		amount fter-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 Dilutive effect of potential	\$	278,932	124,416	\$	2.24			
ordinary shares Employee stock options Employees' bonuses Profit attributable to ordinary shareholders of parent company plus			871 562					
assumed conversion of all dilutive potential ordinary shares	\$	278,932	125,849	\$	2.22			

	For the nine-month periods ended September 30,2024				
		Amount after-tax	Weighted average outstanding shares (in thousand)	Loss sl	ses per nare lollars)
Basic (diluted) earnings per share					
Profit attributable to ordinary shareholders of parent company <u>Diluted earnings per share</u> Dilutive effect of potential ordinary shares	\$	671,466	125,146	\$	5.37
Employee stock options			183		
Employees' bonuses			572		
Profit attributable to ordinary shareholders of parent company plus assumed conversion of all dilutive potential ordinary shares	\$	671,466	125,901	\$	5.33
		For	the nine-month periods September 30, 2023		
		Amount after-tax	Weighted average outstanding shares (in thousand)	sl	ses per nare lollars)
Basic (diluted) earnings per share Profit attributable to ordinary shareholders of parent company Diluted earnings per share Dilutive effect of potential	\$	908,088	119,536	\$	7.60
ordinary shares Employee stock options Employees' bonuses			682 848		
Profit attributable to ordinary shareholders of parent company plus assumed conversion of all dilutive					
potential ordinary shares	\$	908,088	121,066	\$	7.50

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

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

# (XXVII) Business combinations

- 1. On April 28, 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 and the voting records of major resolutions during JETWAY's past shareholders' meetings, which indicated that the Group has substantial capability to lead relative activities and control over the company, JETWAY was included in the Group's consolidated financial statements from the acquisition date. The Group expects to expand the operating scale of both parties and improve the overall operating performance through the integration of corporate resources.
- 2. On the acquisition date, the consideration paid for JETWAY, the fair value of identified assets and liabilities, non-controlling interests in the identified net assets of the acquiree.

Acquisition consideration		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

Investing activities with partial cash payments:

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

	Septem	iber 30	),
	2024		2023
\$	63,719	\$	99,546
	2,817		4,322
(	3,654)	(	766)
\$	62,882	\$	103,102

For the nine-month periods ended

# (XIX) Changes in liabilities arising from financing activities

					2024	1	
	Long-term borrowings (including						
		ort-term rowings	`	current portion)		Lease liability	 Total
January 1	\$	27,000	\$	144,975	\$	148,437	\$ 320,412
Changes in cash flow from financing		63,000	(	7,794)	(	47,806)	7,400
Effect on changes in exchange rate		-		-		2,440	2,440
Changes in others without cash flow		_		_		72,621	 72,621
September 30	\$	90,000	\$	137,181	\$	175,692	\$ 402,873

	2023							
			I	Long-term				
				orrowings				
			(	including				
		ort-term rrowings		current portion)		Lease liability		Total
January 1	\$	-	\$	155,286	\$	123,174	\$	278,460
Changes in cash flow from financing		27,000	(	7,720)	(	39,911)	(	20,631)
Effect on changes in exchange rate		-		-		2,139		2,139
Effects due to changes in consolidated entities		-		-		25,883		25,883
Changes in others without cash flow		-		-		33,252		33,252
September 30	\$	27,000	\$	147,566	\$	144,537	\$	319,103

# VII. Related party transaction

# (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 37.48% 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	Associate - Investee accounted for under the equity method by the Company's subsidiary (Note)
BIOMEDICAL INC. ATECH OEM INC.	Other related party - the Company's Chairman as a director
MACHVISIONINC.	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. EVERFOCUS ELECTRONICS (SHENZHEN) CO., LTD.	Other related party - the Company's Chairman as EVERFOCUS ELECTRONICS CORP's Chairman Other related party - the Company's Chairman as EVERFOCUS ELECTRONICS CORP's Chairman

Name of related party	Relation
YAN XIN INVESTMENT Co.,	Other related party - the Company's Chairman as YAN XIN
Ltd.	INVESTMENT Co., Ltd.'s Chairman
AAEON EDUCATION	Other related party - the Company's Chairman as a director
FOUNDATION	
WT MICROELECTRONICS	Other related party - Investee accounted for under the equity
CO.	method by the Company's Fellow subsidiary
TECHMOSA	Other related party - Investee accounted for under the equity
INTERNATIONAL INC.	method by the Company's Fellow subsidiary
MORRIHAN	Other related party - Investee accounted for under the equity
INTERNATIONAL CORP.	method by the Company's Fellow subsidiary
NUVISION TECHNOLOGY,	Other related party - Investee accounted for under the equity
INC.	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
FUTURE ELECTRONICS	Other related party - Investee accounted for under the equity
INC.	method by the Company's Fellow subsidiary
SPARK TECHNOLOGIES	Other related party - the Company's Chairman is spouse of
INC.	SPARK TECHNOLOGIES INC.'s Chairman
LYDS TECH.	Other related party - the Company's Chairman is spouse of
	LYDS TECHNOLOGIES INC.'s Chairman
FU-YANG INVESTMENT	Other related party - the Company's Chairman is spouse of
INC.	FU-YANG INVESTMENT INC.'s Chairman
JUI HAI INVESTMENT Co.,	Other related party - the Company's Chairman is spouse of
Ltd.	JUI HAI INVESTMENT Co., Ltd.'s Chairman
ASUS COMPUTER	Fellow subsidiary — same as ultimate parent entity
INTERNATIONAL	
ASUS GLOBAL PTE. LTD	Fellow subsidiary — same as ultimate parent entity
MEDUS TECHNOLOGY INC.	Fellow subsidiary — same as ultimate parent entity
	ATIONAL BIOMEDICAL INC. is the affiliate company of the
Group form February 2023.	

Group form February 2023.

# (III) Significant transactions and balances with related parties

# 1. Operating income

	For the three-month periods ended September 30,				
		2024		2023	
Sales of goods					
Ultimate parent entity	\$	194	\$	-	
Associates		902		700	
Other related party		16,234		2,647	
	\$	17,330	\$	3,347	

For the nine-month periods ended September 30.

	september 50,				
		2024		2023	
Sales of goods					
Ultimate parent entity	\$	763	\$	11,051	
Associates		8,032		4,066	
Other related party		48,117		5,912	
	\$	56,912	\$	21,029	

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 September 30, 2023 2024 Goods purchased \$ Ultimate parent entity 230,291 \$ 165,730 Associates 5,077 10,494 152 12,387 Fellow subsidiary Other related party 30,164 23,090 265,684 \$ 211,701 For the nine-month periods ended September 30, 2024 2023 Goods purchased Ultimate parent entity \$ 625,843 \$ 502,001 Associates 27,563 31,303 Fellow subsidiary 2,947 15,063 85,194 103,533 Other related party \$ 741,547 \$ 651,900 Total

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 next month-end 30-60 days.

#### 3. Operating expenses

For the three-month periods ended

	September 30,			
		2024	2023	
Ultimate parent entity	\$	24,502 \$	18,348	
Associates		1,914	1,985	
Fellow subsidiary		-	-	
Other related party		3,368	4,308	
	\$	29,784 \$	24,641	

For the nine-month periods ended September 30.

		)	
	 2024		2023
Ultimate parent entity	\$ 64,361	\$	59,638
Associates	2,066		2,429
Fellow subsidiary	46		-
Other related party	 8,272		7,388
	\$ 74,745	\$	69,455

- (1) The above operating expenses mainly comprised technical service fees, and were presented as operating expenses R&D expense.
- (2) The above operating expenses include the amount donated by the Company to other related parties. The donation amount for the three-month periods ended September 30, 2024 and the nine-month periods ended September 30, 2024 and 2023 were \$0, \$0 \$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

	 2024/9/30		2023/12/31		2023/9/30
Accounts receivable					
Ultimate parent entity	\$ -	\$	90	\$	-
Affiliate company	836		803		331
Other related party	 2,920		35,787		299
	\$ 3,756	\$	36,680	\$	630
Other accounts receivable	2024/9/30		2023/12/31		2023/9/30
Associates	\$ 694	\$	319	\$	322

Mainly comprises system service fees receivable.

## 5. Payables from related parties

	20	024/9/30	2023/12/31	 2023/9/30
Ultimate parent entity	\$	79,816	\$ 52,099	\$ 114,876
Associates		5	4,683	6,541
Fellow subsidiary		-	-	399
Other related party		14,146	13,159	20,119
	\$	93,967	69,941	\$ 141,935

#### 6. Other payables

	 2024/9/30		2023/12/31	2023/9/30	
Ultimate parent entity	\$ 45,256	\$	37,691	\$	42,051
Associates	186		19		42
Fellow subsidiary	1,211		-		-
Other related party	<u>-</u>		128		690
	\$ 46,653	\$	37,838	\$	42,783

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

## 7. Assets transaction

# (1) Acquision of Property, plant and equipment

(1) Acquision of Property, plant and equ	npment					
	For t	he ni	ne-month peri	ods e	nded S	September 30,
			2024			2023
Other related party	\$			\$		335
(2) Acquision of intangible assets						
	For t	he ni	ne-month per	iods e	nded S	September 30
			2024			2023
Fellow subsidiary	\$		2,992	\$		
(3) Acquision of financial assets						
	For t	he ni	ne-month per	iods e	nded S	September 30
			2024			2023
Associates	\$		3,548	\$		_
(IV) Key management remuneration						
			For the three Se		ith per ber 30	
			2024			2023
Wages and other short-term employee b	benefits	\$	33	3,801	\$	41,387
Post-employment benefits				549		588
Share-based payment				208		631
		\$	34	1,558	\$	42,606
			For the nine Se		th peri ber 30	
			2024			2023
Wages and other short-term employee b	benefits	\$	74	1,556	\$	84,248
Post-employment benefits			1	,621		1,332
Share-based payment				585		1,699
		\$	76	5,762	\$	87,279

## VIII. Pledged Assets

The Company's pledged assets are summarized below:

Pledged assets	2024/9/30		 2023/12/31		2023/9/30	Guarantee purpose	
Land, and building							
(Property, Plant and Equipment, investment	\$	693,140	\$ 691,968	\$	702,697	Loans and credit limits	
property)							
Restricted time deposit						Short-term borrowing,	
(Financial assets measured at amortized cost-current)		949	31,626		33,238	Foreign exchange forward transactions,	
Guarantee deposits						Office, warehouse	
(including		15,696	14,512		14,195	deposit and project	
Other non-current assets)			 			guarantee deposit.	
	\$	709,785	\$ 738,106	\$	750,130		

# IX. Material Contingent Liabilities and Unrecognized Contractual Commitments

#### (I) <u>Contingencies</u>

None.

#### (II) Commitments

As of September 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. <u>Material Subsequent Events</u>

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

	202	24/9/30	2023	/12/31	2023	3/9/30
Financial asset						
Financial assets at fair value throuth						
profit or loss						
Financial assets mandatorily						
measured at fair value through	\$	642,160	\$	485,915	\$	480,460
profit or loss						

	149,939		68,756		57,363
	4,122,353		4,347,976		4,190,267
	91,406		62,331		92,308
	31,109		13,400		11,524
	813,716		919,566		998,693
	24,084		17,377		15,573
	15,696		14,512		14,195
\$	5,889,923	\$	5,929,833	\$	5,860,383
\$	90,000	\$	27,000	\$	27,000
4		*		*	375
			-		
	592,699		522,666		751,308
	779,548		672,350		615 ,998
	137,181		144,975		147,566
\$	1,599,449	\$	1,366,993	\$	1,542,247
\$					144,537
	\$	\$ 90,000 \$ 5,889,923 \$ 90,000 21 592,699 779,548 137,181 \$ 1,599,449	4,122,353         91,406         31,109         813,716         24,084         15,696         \$ 5,889,923         \$ 90,000         \$ 21         592,699         779,548         137,181         \$ 1,599,449         \$	4,122,353       4,347,976         91,406       62,331         31,109       13,400         813,716       919,566         24,084       17,377         15,696       14,512         \$ 5,889,923       \$ 5,929,833         \$ 90,000       \$ 27,000         21       2         592,699       522,666         779,548       672,350         137,181       144,975         \$ 1,599,449       \$ 1,366,993	4,122,353       4,347,976         91,406       62,331         31,109       13,400         813,716       919,566         24,084       17,377         15,696       14,512         \$ 5,889,923       \$ 5,929,833         \$ 90,000       \$ 27,000         21       2         592,699       522,666         779,548       672,350         137,181       144,975         \$ 1,599,449       \$ 1,366,993         \$ 1,599,449       \$ 1,366,993

### 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:

			2024/9/30	
	-	Foreign currency		Book value
	_	(in thousands)	Exchange rate	(NTD)
(Foreign currency: functional currency)				
Financial asset				
Monetary items				
USD:NTD	\$	96,230	31.65 \$	3,045,680
EUR:NTD		693	35.38	24,518
USD:CNY		83	7.00	2,627
USD:SGD		498	1.28	15,762
Financial liability				
Monetary items				
USD:NTD	\$	13,329	31.65 \$	421,863
EUR:NTD		1	35.38	35
USD:CNY		1,123	7.00	35,543
USD:SGD		832	1.28	26,333
			2022/12/21	
	-	Foreign currency	2023/12/31	Book value
	-	Foreign currency (in thousands)	2023/12/31  Exchange rate	Book value (NTD)
(Foreign currency: functional currency)	-			
	-			
functional currency)	-			
functional currency) Financial asset	\$			(NTD)
functional currency) Financial asset Monetary items	\$	(in thousands)	Exchange rate	(NTD)
Financial asset  Monetary items USD:NTD	\$	(in thousands)  108,925	Exchange rate  30.71 \$	(NTD) 3,345,087
Financial asset  Monetary items  USD:NTD  EUR:NTD	\$	(in thousands)  108,925 1,048	30.71 \$ 33.98	(NTD) 3,345,087 35,611
Financial asset  Monetary items  USD:NTD  EUR:NTD  USD:CNY	\$	(in thousands)  108,925  1,048  169	30.71 \$ 33.98 7.10	(NTD) 3,345,087 35,611 5,190
Financial asset  Monetary items  USD:NTD  EUR:NTD  USD:CNY  USD:SGD	\$	(in thousands)  108,925  1,048  169	30.71 \$ 33.98 7.10	(NTD) 3,345,087 35,611 5,190
Financial asset  Monetary items  USD:NTD  EUR:NTD  USD:CNY  USD:SGD  Financial liability	\$ \$	(in thousands)  108,925  1,048  169	30.71 \$ 33.98 7.10	(NTD)  3,345,087 35,611 5,190 18,027
Financial asset  Monetary items USD:NTD EUR:NTD USD:CNY USD:SGD Financial liability Monetary items		(in thousands)  108,925 1,048 169 587	30.71 \$ 33.98 7.10 1.32	(NTD)  3,345,087 35,611 5,190 18,027
functional currency) Financial asset  Monetary items USD:NTD EUR:NTD USD:CNY USD:SGD Financial liability Monetary items USD:NTD		(in thousands)  108,925 1,048 169 587	30.71 \$ 33.98 7.10 1.32	(NTD)  3,345,087 35,611 5,190 18,027 362,347
functional currency) Financial asset  Monetary items USD:NTD EUR:NTD USD:CNY USD:SGD Financial liability Monetary items USD:NTD EUR:NTD EUR:NTD		(in thousands)  108,925 1,048 169 587  11,799 7	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

	2023/9/30						
	Foreign currency		Book value				
_	(in thousands)	Exchange rate	(NTD)				
\$	101,639	32.27	3,279,891				
	995	33.91	33,740				
	85	4.41	2,743				
	24	23.53	774				
\$	17,428	32.27	562,402				
	755	4.41	24,364				
	11	23.53	355				
		(in thousands)  \$ 101,639 995 85 24  \$ 17,428 755	Foreign currency (in thousands) Exchange rate  \$ 101,639 32.27 9 995 33.91 85 4.41 24 23.53  \$ 17,428 32.27 9 755 4.41				

- 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 September 30, 2024 and 2023, and the nine months periods ended September 30, 2024 and 2023, amounted to (\$63,512), \$90,043, \$109,968 and \$131,623, respectively.
- E. The Group's foreign currency risk analysis due to significant foreign exchange rate fluctuations is as follows:

	For the nine-month periods ended September 30,2024							
. <u>.</u>	Sensitivity analysis							
	Extent o	f	Effect on income	Effect on other comprehensive income				
(Foreign currency:								
functional currency)								
Financial asset								
Monetary items								
USD:NTD	1%	\$	30,457 \$	-				
EUR:NTD	1%		245	-				
USD:CNY	1%		26	-				
USD:SGD	1%		158	-				
Financial liability								
Monetary items								
USD:NTD	1%	\$	4,219\$	-				
EUR:NTD	1%		-					
USD:CNY	1%		355	-				
USD:SGD	1%		263	-				

		S		
	Extent of change	f	Effect on income	Effect on other comprehensive income
(Foreign currency:				
functional currency)				
Financial asset				
Monetary items				
USD:NTD	1%	\$	32,799 \$	-
EUR:NTD	1%		337	-
USD:CNY	1%		27	-
USD:SGD	1%		8	-
<u>Financial liability</u>				
Monetary items				
USD:NTD	1%	\$	5,624 \$	-
USD:CNY	1%		244	-
USD:SGD	1%		4	-

#### 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 nine-month periods ended September 30, 2024 and 2023 by \$4,861 and \$3,085, 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 nine-month periods ended September 30, 2024 and 2023, amounted to \$1,499 and \$574.

# 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 nine months periods ended September 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 nine months period ended September 30, 2024 and 2023 will decrease or increase by \$341 and \$262 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 September 30, 2024, December 31, 2023 and September 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: \$121,958 and \$244 as of September 30, 2024, \$169,182 and \$337 as of December 31, 2023, and \$199,985 and \$400 as of September 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 September 30, 2024, December 31, 2023 and September 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
2024/9/30										
Expected loss rate		0.02%~1.58%	0.03%~8.42%	0.03%~15.63%		0.03%~45.15%	0.03%~100%	100%		
Total book value	\$	575,780	\$ 102,876	\$ 17,092	\$	16,903	\$ 10,572	\$ 14,460	\$	737,683
Loss allowance	\$	1,296	\$ 1,510	\$ 366	\$	1,231	\$ 5	\$ 14,460	\$	18,868
			Past due within	Past due		Past due	Past due	Past due		
		Not yet due	30 days	30 days		60 days	90 days	120 days	_	Total
2023/12/31										
Expected loss rate		0%~1.58%	0%~8.42%	0%~15.63%		0%~45.15%	3.47%~50.00%	100%		
Total book value	\$	616,185	\$ 82,064	\$ 31,538	\$	106	\$ -	\$ 17,075	\$	746,968
Loss allowance	\$	1,005	\$ 781	\$ 665	\$	1	\$ 	\$ 17,075	\$	19,527
			Past due within	Past due		Past due	Past due	Past due		
	_	Not yet due	30 days	30 days		60 days	90 days	120 days	_	Total
2023/9/30										
Expected loss rate		0%~1.30%	0%~7.71%	$0.03\%\sim14.48\%$		0.03%~44.38%	4.94%~50.00%	100%		
Total book value	\$	661,989	\$ 103,977	\$ 33,978	\$	13,703	\$ 691	\$ 15,789	\$	830,127
Loss allowance	•	1,182	\$ 760	\$ 1,318	¢	858	\$ 218	\$ 15,789	\$	20,125

- (3) The expected credit loss is 0.2% for related-parties. The total book values of the accounts receivable-related parties as of September 30, 2024, December 31, 2023 and September 30, 2023 were \$3,756, \$36,680 and \$630, respectively, the amount of loss allowance is \$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	(	1,498)	(	1,648 )			
Amounts written off due to unrecoverability.		-	(	195 )			
Net exchange differences		746		268			
Effects due to changes in consolidated entities		-		503			
September 30	\$	19,112	\$	20,525			

From the loss recognized for the nine months periods ended September 30, 2024 and 2023, the impairment reversal losses for accounts receivable arising from customer contracts were \$1,498 and \$1,648, respectively.

- I. The Group's financial assets at amortized cost are time deposits with an original due dateof more than three months and various corporate bonds, and there is no significant abnormality in credit risk assessment.
- (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 \$1,042,656, \$1,537,284 and \$1,540,509 as of September 30, 2024, December 31, 2023 and September 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				
<u>liabilities:</u> 2024/9/30	Within 1 year	1-2 years	2-3 years	Over 3 years
Short-term borrowings (including accured	\$ 90,277			\$ -
interest) Notes payable	21			
Accounts payable				
(including related parties)	592,699	-	-	-
Other payables Long-term borrowings	779,548	-	-	-
(including current portion and accured interest)	13,174	13,174	13,174	114,190
Lease liabilities	69,224	54,491	27,547	38,352
Non-derivative financial				
<u>liabilities:</u> 2023/12/31	Within 1 year	1-2 years	2-3 years	Over 3 years
Short-term borrowings (including accrued				\$ -
interest)	\$ 27,074	<b>5</b> -	\$ -	<b>5</b> -
Notes payable Accounts payable	2	-	-	-
(including related parties)	522,666	-	-	-
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				
<u>liabilities:</u> 2023/9/30	Within 1 year	1-2 years	2-3 years	Over 3 years
Short-term borrowings				
(including accured interest)	\$ 27,109	\$ -	\$ -	\$ -
Notes payable Accounts payable	375	-	-	-
(including related	751,308	-	-	-
parties) Other payables Long-term borrowings	615,998	-	-	-
(including current portion and accured interest)	13,076	13,076	13,076	126,432
Lease liabilities	46,901	34,354	25,207	51,602

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, 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:

2024/9/30	1st Level	2nd Level	_	3rd Level	_	Total
Asset						
Recurring fair value measurements						
Financial assets at fair value through						
profit or loss						
Equity securities	\$ 417,874	\$ 5,100	\$	63,095	\$	486,069
Beneficiary certificates	27,252	-		-		27,252
Convertible bond	120,000	-		-		120,000
Hybrid instruments	-	-		8,839		8,839
Financial asset at fair value through						
other comprehensive income						
Equity securities	 88,739			61,200		149,939
Total	\$ 653,865	\$ 5,100	\$	133,134	\$_	792,099

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					
Equity securities	 68,756				68,756
Total	\$ 485,992	\$	4,959	\$ 63,720 \$	554,671
2024/9/30	1st Level	_	2nd Level	3rd Level	Total
Asset					
Recurring fair value measurements					
Financial assets at fair value through					
profit or loss					
Equity securities	\$ 251,413	\$	5,286	\$ 51,832 \$	308,531
Beneficiary certificates	26,888		-	-	26,888
Convertible bond	136,500		-	-	136,500
Hybrid instruments	-		-	8,541	8,541
Financial asset at fair value through					
other comprehensive income					
Equity securities	 54,982			2,381	57,363
Total	\$ 469,783	\$	5,286	\$ 62,754 \$	537,823

- (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	Convertible bonds
		Weighted average
		price per hundred

- Market quoted price Closing prices Net asset value units
- 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 nine-month periods ended September 30, 2024 and 2023, there was no transfer between Level 1 and Level 2.
- 5. Movements on Level 3 for the nine-month periods ended September 30, 2024 and 2023 are as follows:

		2024	2023				
	E	quity instruments	Equ	Equity instruments			
January 1	\$	63,720	\$	84,128			
Aquired		61,200		-			
Disposal	(	1,877)		-			
Transfer out 3rd Level		-	(	25,155)			
Recognized in profit (loss) (Note)		10,091		3,781			
September 30	\$	133,134	\$	62,754			
Changes in unrealized gains or losses on assets and liabilities owned at the end of the period (Note)	¢	10,091	¢	2 781			
(Mole)	Φ	10,091	Φ	3,781			

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 nine months periods ended September 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 sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

		S S		Significant and unobservable input	Range (weighted average)	Relationship between input and fair value
Equity instruments: Unlisted and non-OTC stocks	\$	43,735	Net asset value approach	Not applicable	Not applicable	The higher the net assets value, the higher 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	-	43,382	Discounted Cash Flow	Note 1	Not applicable	Note 2
Embedded option	(	34,543)	method Options pricing model	Price volatility	Not applicable	The higher the net assets value, the higher the fair value
		3/12/31 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	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	multiple, the higher the fair value; The higher the discount for lack of marketability, the
Unlisted and non-OTC stocks		19,360	Discounted Cash Flow Approach	Note 1	Not applicable	lower the fair value.  Note 2
Hybrid instrument:			• •			
Shares of unlisted companies	=	59,291	Discounted Cash Flow Approach	Note 1	Not applicable	e Note 2
Embedded option	(	50,657)	Options pricing model	g Stock price volatility	Not applicable	The higher the stock price volatility, the higher the fair value

		2023/9/30 Valuatio Fair value technique		Significant and unobservable input	Range (weighted average)	Relationship between input and fair value
Equity instruments: Unlisted and	- \$	21 202	Net asset	Not	Not	The highest the seat
non-OTC stocks	Þ	31,383	value approach	applicable	applicable	The higher the net assets value, the higher the fair value
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		21,741	Discounted Cash Flow Approach	Note 1	Not applicable	Note 2
Hybrid instrument:	_	20.520	D: . 1	NI . 1	<b>3.</b> T .	NI 2
Unlisted and non-OTC stocks		39,529	Discounted Cash Flow method	Note 1	Not applicable	Note 2
Embedded option	(	30,988)	Options pricing model	Price volatility	Not applicable	The higher the net assets value, the higher the fair value

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. <u>Disclosures</u>

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

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

refer to Note 6 (2).

J. Intercompany relationships and significant intercompany transactions: Please refer to Schedule 4.

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

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

# (3) <u>Information on investments in China</u>

- 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) <u>Information of major shareholders</u>

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

# XIV. Segment information

#### (1) General information

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

### (2) 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) Segment information

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

	For the nine-month periods ended September 30, 2024									
		AAEON		AOH		ETWAY				_
		Group		Group		Group	E	limination		Total
Revenue from external customers	\$	3,634,870	\$	853,350	\$	967,439	\$	-	\$	5,455,659
Revenue from internal segments		60,853		5,336		9,652	(	75,841 )		-
Segment revenue	\$	3,695,723	\$	858,686	\$	977,091	(\$	75,841)	\$	5,455,659
Segment profit or loss	\$	658,697	\$	128,535	\$	154,544	\$		\$	941,776
Segment profit or loss: Depreciation and										
amortization	\$	80,738	\$	16,177	\$	88,765	\$		\$	185,680
Segment assets	\$	11,215,404	\$	2,094,093	\$	2,505,507	(	1,632,077)	\$	14,182,927
				For the n	ine-	month period	ds end	led Septembe	r 3	0, 2023
		AAEON		For the ni		month period ETWAY		•	r 3	
		AAEON Group						led Septembe	r 3	0, 2023 Total
Revenue from external customers	\$		\$	AOH		ETWAY		•	r 3	Total
external	\$	Group	\$	AOH Group	_	Group	E	•	_	Total
external customers Revenue from	\$	Group 4,389,177	\$	AOH Group 1,056,207	_	Group 602,561	E	limination	\$	Total 6,047,945
external customers Revenue from internal segments	_	Group 4,389,177 84,033		AOH Group 1,056,207 1,856	\$	Group 602,561 4,362	\$ (	limination - 90,251 )	\$	Total 6,047,945 - 6,047,945
external customers Revenue from internal segments Segment revenue Segment profit or loss Segment profit or loss:	\$	Group 4,389,177 84,033 4,473,210	\$	AOH Group 1,056,207 1,856 1,058,063	\$	Group 602,561 4,362 606,923	\$ ( <u>\$</u>	limination - 90,251 )	- \$ -	Total 6,047,945 - 6,047,945
external customers Revenue from internal segments Segment revenue Segment profit or loss Segment profit or	\$	Group 4,389,177 84,033 4,473,210	\$	AOH Group 1,056,207 1,856 1,058,063	\$	Group 602,561 4,362 606,923	\$ ( <u>\$</u>	limination - 90,251 )	- \$ -	Total 6,047,945 - 6,047,945 1,287,551

# (4)Reconciliation for segment income

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)

#### **SEPTEMBER 30, 2024**

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

#### Schedule 1

	Marketable securities type and name			_	2024/9/30				
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	\$ 27,252	-	\$ 27,252	None
"	Stock	MACHVISION, INC.	Other related party - the Company's Chairman as a director	"	1,180,198	410,709	2.03	410,709	"
"	"	Allied Biotech Co.	None	"	300,000	5,100	0.31	5,100	"
"	"	LILEE SYSTEMS Ltd.	"	Financial assets at fair value through profit or loss - non-current	468,750	-	-	-	"
"	"	TELEION WIRELESS, INC.	"	n .	149,700	-	-	-	"
"	"	InSynerger Technology Co., Ltd.	"	"	1,710,000	19,360	11.57	19,360	"
"	"	V-Net AAEON Corporation Ltd.	"	"	29	8,839	14.50	8,839	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	-	120,000	-	120,000	None
ONYX HEALTHCARE INC	"	TOP UNION ELECTRONICS CORP.	"	Financial assets at fair value through profit or loss - current	223,918	7,165	0.15	7,165	"
"	"	INNO FUND III	"	Financial assets at fair value through profit or loss - non-current	3,000,000	43,735	13.04	43,735	"
"	"	MELTEN CONNECTED HEALTHCARE INC.	n .	Financial asset at fair value through other comprehensive income - non-current	4,193,548	-	6.61	-	"
"	"	TOP UNION ELECTRONICS CORP.	"	"	2,773,082	88,739	1.91	88,739	"
"	"	CREATIVE LIFE SCIENCE CO., LTD.	"	"	900,000	61,200	4.25	61,200	"

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

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.

# TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

Schedule 2

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

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

Transaction transaction (Note) Accounts and notes receivable (payable) Percentage to total accounts and notes Percentage to Purchase total purchase receivable or Nature of Payment Payment Related Party (sales) (%) Unit Price payable (%) Company Name Relationship (sales) Amount terms terms Ending Balance Note month-end \$ AAEON ASUSTEK COMPUTER \$ 625,843 34.38 79,816) ( 28.78) Parent Purchases 30 days INC Technology Inc. AAEON 60 days after TECHNOLOGY Subsidiary (Sales) 1,032,597) 34.03) 179,864 33.23 invoice date (EUROPE) B.V. AAEON 18.41 533,807) 17.59) 99,656 ELECTRONICS, INC. AAEON month-end TECHNOLOGY 124,076) 4.09) 33,897 6.26 60 days (SUZHOU) INC. ONYX ONYX HEALTHCARE month-end HEALTHCARE 122,321) 15.32) 29,694 17.75 USA, INC. 90 days INC. ONYX HEALTHCARE 102,503) 12.84) 39,028 23.33 EUROPE B.V. **JETWAY** FUJIAN CANDID month-end INTERNATIONAL INFORMATION CO., Parent 176,597) ( 18.07) 3.052 2.15 30-90 days CO., LTD LTD. **JETWAY** JETWAY COMPUTER month-end INFORMATION 24.50) 56,929 40.12 Subsidiary 239,429) CORP. 30-60 days CO., LTD.

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

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

#### **SEPTEMBER 30, 2024**

Schedule 3

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

		Nature of	Enc	ding balance	_		Over	due	_	Amounts	Received 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	\$	179,864	6.72	S	-		-	\$	69,919	\$	-

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

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

#### FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

Schedule 4

(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		Amount	Terms	As a percentage of consolidated revenues or total assets (%)  (Note 3)	
0	AAEON Technology Inc.	AAEON TECHNOLOGY (EUROPE) B.V.	1	Net sales	\$	1,032,597	60 days after invoice date	18.93	
"	"	AAEON ELECTRONICS, INC.	1	Net sales		533,807	"	9.78	
"	"	AAEON TECHNOLOGY (SUZHOU) INC.	1	Net sales		124,076	month-end 60 days	2.27	
"	"	AAEON TECHNOLOGY (EUROPE) B.V.	1	Accounts receivable		179,864	60 days after invoice date	1.27	
1	ONYX HEALTHCARE INC.	ONYX HEALTHCARE USA, INC.	3	Net sales		122,321	month-end 90 days	2.24	
"	"	ONYX HEALTHCARE EUROPE B.V.	3	Net sales		102,503		1.88	
2	FUJIAN CANDID INTERNATIONAL CO., LTD	JETWAY INFORMATION CO., LTD.	3	Net sales		176,597	month-end 30-90 days	3.24	
3	JETWAY INFORMATION CO., LTD.	JETWAY COMPUTER CORP.	3	Net sales		239,429	month-end 30-60 days	4.39	

- Note 1: Intercompany transactions should be indicated in the numbered columns individually. The number is filled in as follows:
  - (1) Parent company is numbered 0.
  - (2) Subsidiaries are numbered sequentially according to company name from Arabic numeral 1.
- Note 2: There are three types of relationships with counterparties (Disclosure is not required for the same intercompany transactions. For example: If the parent has already disclosed the intercompany transaction, the subsidiary is not required to disclose the same transaction.

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

- (1) Parent company to subsidiary
- (2) Subsidiary to parent company
- (3) Subsidiary to subsidiary
- Note 3: The calculation of transaction amount as a percentage of consolidated net revenue or total assets: in the case of financial statement accounts, ending balance is divided by consolidated total assets; in the case of income statement accounts, cumulative amount in the period is divided by consolidated net revenue.
- Note 4: There is no need to disclose transactions of no more than \$100 million, and transactions shall be disclosed as assets and income.

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

#### FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

Schedule 5

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

Name of investor   Name of inv							Original In	vestmen	ıt	Balance a	as of Septembe	r 30,2024			lo in	rofits or osses on westment	
Name of investor   Name of investor   AAEON   Continued   Contin					Main						D .	<i>a</i> :					
AAEON Technology Inc.    AAEON   ELECTRONICS, INC.   AAEON   CO., LTD.   CO.,	Name	of investor	Name of investee	Location		202	4/9/30	2023/	12/31	Shares		, ,					Remarks
NC.   Peripherals															$\overline{}$		
AAEON																	
TECHNOLOGY		,,		Duitigh			279 745	2'	70.422	9 907 007	100.00	161 501	(	22 529 )	(	22 102 )	
CO. LTD							278,743	2	70,422	8,807,097	100.00	101,301	(	32,338 )	(	33,183 )	
MAÉON   Netherlands   Sales of IPC   and PC   current																	
CEUROPE) B.V. AAEON   Singapore Sales of IPC   14,420   13,586   465,840   100.00   69,704   (1,546 ) (1,546 )		"					3,538		3,398	-	100.00	100,759	(	4,504)	(	4,504)	
AAEÓN   Singapore   Sales of IPC   14,420   13,586   465,840   100.00   69,704   ( 1,546 )   ( 1,546 )   ( 1,546 )			TECHNOLOGY		and PC												
TECHNOLOGY   SINGAPORE   Peripherals   Sales of PC   14,420   15,386   463,840   100.00   69,704   1,346   1			,														
SINGAPORE   PTELITD.		"		Singapore			14,420		13,586	465,840	100.00	69,704	(	1,546)	(	1,546 )	
PTELTD.																	
AAEON   Taiwan   Investment of   150,000   150,000   150,000   100.00   141,489   ( 5 ) ( 5 )					peripherals												
CO., LTD. peripherals  " ONYX		"		Taiwan	Investment of		150,000	1:	50,000	15,000,000	100.00	141,489	(	5)	(	5)	
ONYX			,														
HEALTHCARE   HEALTHCARE   INC.   and sales of   medical PC   medical			CO., LTD.		peripherals												
HEALTHCARE   manufacture   and sales of   medical PC		"	ONYX	"	Design,		172,368	1′	72,368	16,257,179	48.41	701,260		116,096		56,308	
Manufacturing   Sales of PC					manufacture												
LITEMAX			INC.														
ELECTRONICS peripherals  INC.  " IBASE " Manufacturing 3,498,501 3,498,501 52,921,856 26.72 3,232,695 458,112 48,794  TECHNOLOGY and sales of industrial motherboards  " JETWAY " Manufacturing 958,247 958,247 26,450,000 35.27 851,069 155,364 36,674  INFORMATION CO., LTD. industrial motherboard and computer		,	LITTEMAN				70.210	,	70.210	5.015.050	11.06	112.769		156 550		17 572	
INC.  " IBASE " Manufacturing 3,498,501 3,498,501 52,921,856 26.72 3,232,695 458,112 48,794  TECHNOLOGY and sales of industrial motherboards  " JETWAY " Manufacturing 958,247 958,247 26,450,000 35.27 851,069 155,364 36,674  INFORMATION CO., LTD. industrial motherboard and computer							/0,218		/0,218	5,015,050	11.80	113,/68		136,339		17,573	
TECHNOLOGY and sales of INC. industrial motherboards and selling of CO., LTD. industrial motherboard and computer					peripherais												
INC. industrial motherboards  " JETWAY " Manufacturing 958,247 958,247 26,450,000 35.27 851,069 155,364 36,674  INFORMATION and selling of cO., LTD. industrial motherboard and computer		"	IBASE	"	Manufacturing	3,	498,501	3,49	98,501	52,921,856	26.72	3,232,695		458,112		48,794	
motherboards  " JETWAY " Manufacturing 958,247 958,247 26,450,000 35.27 851,069 155,364 36,674  INFORMATION and selling of industrial motherboard and computer																	
" JETWAY " Manufacturing 958,247 958,247 26,450,000 35.27 851,069 155,364 36,674 INFORMATION and selling of CO., LTD. industrial motherboard and computer			INC.														
INFORMATION and selling of industrial motherboard and computer		,,	IETWAV	,,			059 247	0.4	50 247	26 450 000	25.27	951.060		155 264		26 674	
CO., LTD. industrial motherboard and computer							930,247	9.	36,247	20,430,000	33.27	831,009		133,304		30,074	
and computer																	
					motherboard												
peripherals																	
					peripherals												

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

#### FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

Schedule 5

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

				Original In	vestment	Balance	as of September	30,2024	Investee	Profits or losses on investment	
Name of investor	Name of investee	Location	Main businesses and products	2024/9/30	2023/12/31	Shares	Percentage (%)	Carrying Amount	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	\$ 1,061	\$ 1,019	-	100.00	\$ 25,082	\$ 1,173	-	Note1
ONYX HEALTHCARE INC.	ONYX HEALTHCARE USA, INC.	USA	Sales of medical PC and peripherals	63,300	61,410	200,000	100.00	83,364	( 10,668 )	-	"
"	ONYX HEALTHCARE EUROPE B.V.	Netherlands	Marketing support and maintenance of medical PC and peripherals	3,538	3,398	100,000	100.00	17,368	13,297	-	"
"	IHELPER INC.	Taiwan	R&D and sales of medical robots	16,560	16,560	1,656,000	46.00	6,963	( 43 )	-	"
11	WINMATE INC.	"	Bid quotations, distributions and sales of LCD application equipment and modules	568,585	568,585	10,244,000	12.85	636,385	430,026	-	u
"	ProtectLife International Biomedical INC.	"	Manufacturing and Wholesale of Medical Devices and Consumables	47,928	44,380	2,324,000	11.08	34,614	( 27,639 )	-	"
JETWAY INFORMATION CO., LTD.	JETWAY COMPUTER CORP.	USA	Selling and repairing of computer peripheral equipment	120,270	116,679	380	100.00	188,408	27,676	-	"
"	JETWAY COMPUTER B.V.	Netherlands	Selling and repairing of computer peripheral equipment	706	676	40	100.00	28,286	3,120	-	"

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

#### FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

Schedule 5

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

				Original Ir	nvestment	Balance	as of September	r 30,2024		Profits or losses on investment	
Name of investor JETWAY INFORMATION CO., LTD.	Name of investee  JETWAY (FAR EAST) INFORMATION COMPANY LIMITED	Location British Virgin Islands	Main businesses and products Investing of computer peripheral business	2024/9/30 \$ 97,629	2023/12/31 \$ 94,714	Shares 3,084,634	Percentage (%) 100.00	Carrying Amount \$ 120,318	Investee profit or loss for the period (Note 2) \$ 984	recognized for the period (Note 2)	Remarks Note1
"	TOP NOVEL ENTERPRISE CORP.	Seychelles	Investing of computer peripheral business	560,221	543,494	17,700,500	100.00	472,519	25,636	-	"
JETWAY (FAR EAST) INFORMATION COMPANY LIMITED	SCORETIME INVESTMENT LIMITED	British Virgin Islands	Investing of computer peripheral business	96,046	93,178	3,034,634	100.00	119,369	977	-	"
TOP NOVEL ENTERPRISE CORP.	TIME PIONEER INTERNATION AL LIMITED	Seychelles	Investing of computer peripheral business	539,633	523,520	17,050,000	100.00	468,769	25,498	-	"

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

## INFORMATION ON INVESTMENT IN MAINLAND CHINA

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

Accumulated

Schedule 6

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

Investee Company	Main Businesses	Total Amount of Paid-in Capital	Methods of investment (Note 1)	Beginning Balance of Accumulated Outflow of Investment from Taiwan	Investment Flows Outflow Inflow	Outflow of Investment from Taiwan as of September 30, 2024	Investee profit or loss for the period	The Company's direct or indirect holding percentage	Share of Profits / Losses (Note 2. (2)C)	Carrying Amount as of September 30, 2024	Accumulated Inward Remittance of Earnings as of September 30, 2024	Remarks
AAEON TECHNOLOGY (SUZHOU) INC.	Production and sales of IPC and interface card	\$ 275,047	2	\$ 275,047	\$ - \$ -	\$ 275,047	(\$ 32,574)	100%	(\$ 32,574)	\$ 165,949	\$ -	Note2(2)C
ONYX HEALTHCARE (SHANGHAI) LTD	Sales of medical PC and peripherals	69,630	1	69,630		69,630	( 1,753 )	100%	( 1,753 )	1,721	-	Note2(2)C
FUJIAN CANDID INTERNATIONAL CO., LTD.	Manufacturing and selling of computer and peripheral equipment	538,050	2	538,050		538,050	25,437	100%	25,437	467,131	-	Note2(2)B
Company Name AAEON Technology	Ending Balance of Accumulated Investment in Mainland China	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA									
Inc.	\$ 275,047	\$ 275,047	\$ 7,039,992									
Onyx Technology Inc.	69,630	69,630	891,083									
JETWAY INFORMATION CO., LTD.	538,050	538,050	774,879									

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

#### INFORMATION OF MAJOR SHAREHOLDERS

#### **SEPTEMBER 30, 2024**

Schedule 7

	Shares							
Name of major shareholder	Total Shares Owned	Ownership (%)						
ASUSTEK COMPUTER INC.	45,933,118	27.120						
IBASE TECHNOLOGY INC.	43,773,212	25.845						
Yung-Shun Chuang	20,642,399	12.188						
HUA-CHENG VENTURE CAPITAL CORP.	8,774,909	5.181						
HUA-MIN INVESTMENT CO., LTD.	8,774,909	5.181						

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.