



AAEON Technology Inc. 研揚科技股份有限公司

Printed on March 31, 2025

2024 ANNUAL REPORT

Website: www.aaeon.com

Annual Report: mops.twse.com.tw

Translation - In case of any discrepancy between the Chinese and English versions, the Chinese version shall prevail.



Stock Code: 6579

(I) SPOKESPERSON & DEPUTY SPOKESPERSON

Spokerspersion: Yun-Chen, Tu
Title: Senior Assistant V.P.
TEL: +886-2-8919-1234
E-mail: speaker@aaeon.com.tw

Deputy Spokesperson: Chris Chuang
Title: Assistant V.P.
TEL: +886-2-8919-1234
E-mail: speaker@aaeon.com.tw

(II) HEADQUARTERS, PLANTS AND BRANCHES

Head office: 5F., No. 135, Ln. 235, Baoqiao Rd., Xindian Dist., New Taipei City 231, Taiwan
Tel: +886-2-8919-1234
Taipei Branch: 5F, 5F-1, 5F-2, 5F-3, 5F-4, No. 131, 5F, 5F-1, 5F-2, 5F-3, No. 133, 5F, 5F-1, 5F-2, 5F-3, No. 135, 5F, 5F-1, 5F-2, 5F-3, 5F-4, No. 137, 2F, 2F-1, 2F-2, No. 123, 2F, 2F-1, 2F-2, 2F-3, No. 125, 2F, 2F-1, 2F-2, No. 127, 2F, 2F-1, 2F-2, No. 129, Ln. 235, Baoqiao Rd., Xindian Dist., New Taipei City 231, Taiwan
Tel: +886-2-8919-1234

(III) SECURITIES DEALING INSTITUTE

Name: KGI Securities Corporation, Registrar and Transfer Services
Address: 5F., No. 2, Sec. 1, Chung-Chin S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan
Website: <http://www.kgiworld.com.tw>
Tel: +886-2-2389-2999

(IV) AUDITORS

CPA Firm: PricewaterhouseCoopers, Taiwan
Name: Chang, Shu-Chiung and Lin, Chun-Yao
Address: 27F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110, Taiwan
Website: <http://www.pwc.tw/>
Tel: +886-2-2729-6666

(V) EXCHANGEABLE BOND EXCHANGE MARKETPLACE

None

(VI) COMPANY WEBSITE

<http://www.aaeon.com/tw>

Table of Contents

I. Letter to the Shareholders	1
II. Corporate Governance Report	4
1. Background information of Directors, Supervisors, President, V.P., Assistant V.P., and the heads of various departments and branches.....	4
2. Directors', Supervisors' President's and V.P. remuneration	18
3. Corporate governance	22
4. Disclosure of CPAs' remuneration	99
5. Details of the Change in CPA: None.	99
6. Company Chairperson, President, or Any Managerial Officer in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the Company's CPA Accounting Firm or at an Affiliated Enterprise of Such Accounting Firm: None	99
7. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (During the Most Recent Fiscal Year or During the Current Fiscal Year up to the printing date of the Annual Report) by a Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10 Percent.....	99
8. Relationship information, if among the company's ten largest shareholders any one is a related party or a relative within the second degree of kinship of another.....	101
9. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors and Supervisors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Company.....	102
III. Funding Status.....	104
1. Capital and shares	104
2. Bonds.....	108
3. Preference shares.....	108
4. Global Depository Receipts	108
5. Employee Stock Options.....	109
6. Employee stock options restriction	110
7. Status of New Share Issuance in Connection with Mergers and Acquisitions:	110
8. Financing Plans and Implementation	110
IV. Business Performance	110
1. Content of business.....	110

2.	Market and Sales Overview	117
3.	The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the printing date of the annual report.....	126
4.	Environmental protection expenditure	126
5.	Labor relations	127
6.	Information security management	127
7.	Important Contracts.....	128
V.	Review of financial conditions, financial performance, and risk management	128
1.	Financial Analysis.....	128
2.	Operation results Analysis	129
3.	Cash Flow Analysis.....	130
4.	Major Capital Expenditure Items:	130
5.	Investment Policy in Last Year, Main Causes for Profits or Losses; Improvement Plans and the Investment Plans for the Coming Year..	130
6.	Risk management analysis.....	131
7.	Other important disclosures.....	135
VI.	Special Disclosure	135
1.	Summary of Affiliated companies	135
2.	Private Placement of Securities in the Most Recent Year and up to the Date of Publication of the Annual Report, and the Status of Fund Utilization and Progress of Implementation Plans	135
3.	Other supplementary information	135
4.	Any Events in the most recent fiscal year and as of the printing date of this annual report that had significant impacts on shareholders' right or security prices as stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan.....	135

I. Letter to the Shareholders

Dear Shareholders:

Thank you for attending the 2025 General Shareholders' Meeting.

In 2024, AAEON's revenue declined by 11%, mainly due to weakened overall demand and customers' slow destocking, which resulted in conservative order placement. As a result, the order volume is below the typical shipping level. Following the customers' gradual destocking, most customers started to place new orders from the fourth quarter. Accordingly, the revenue gradually increased and showed growth once again.

Even though the growth was not as good as expected, AAEON remained focused on AI edge computing. Constantly, the number of new AI projects, successful cases, and potential revenue has increased. The Company expects to see tangible results in 2025. and that the revenue would increase correspondingly.

Details are as follows:

1. The 2024 Business result

(I) Business performance

1. Revenues and profits: AAEON's consolidated operating income in 2024 was \$7,186,031 thousand, gross profit was \$2,578,632 thousand, operating revenue was \$547,848 thousand, net income after tax was \$1,139,420 thousand, net profit attributable to the parent company was \$966,877 thousand, while earnings per share (EPS) was \$7.72.
2. Revenue analysis: In terms of regions, we witnessed negative growth in all regions, particularly the U.S. and emerging markets, with a decline of 28% and 31%, respectively. As for product lines, except for industrial mainboards, which displayed a positive growth of 7%, almost all the other product lines had negative growth. In particular, the network communication products experienced the worst performance, with a decrease of 36%.
3. Budget implementation: The Company did not publish our financial forecast in 2024.
4. Customer management: In spite of the decrease in revenue in 2024, we maintained a stable relationship with our customers. Key customers began placing new orders in the fourth quarter, restoring our performance to a normal level. The smart retail customers are especially the customers that recovered first in the downturn, with the shipment showing positive growth. In addition, the Company also achieved excellent results in the development of new customers, successfully developing several customers with orders over US\$1 million that were expected to contribute US\$5–6 million in revenue each year. The number of AI-related new customers continued to increase as well, with around 250 relevant new projects launched in 2024.
5. Other operational results:
 - Won the 9th place in the Middle-Standing Enterprises Group of the 2024 CSR Awards of Commonwealth Magazine.
 - Ranked among top 15 in the Middle-Standing Enterprises Group of the 2024 CSR Awards of Commonwealth Magazine.
 - Won the "Single Sustainability Performance Award – Social Inclusion Leader Award" of the 17th Taiwan Corporate Sustainability Awards (TCSA) in 2024)
 - Won the 2nd "New Taipei City Enterprise Classic Award" in 2024

- Won the 2nd “New Taipei City Enterprise Classic and Excellent Award” in 2024
- Clinched the title of “Health 99 Enterprise” of the 2024 Corporate Health Responsibility (CHR) Award (226 entries in total).
- Won the bronze medal of EcoVadis, a sustainability intelligence platform for global supply chains, in 2024 (for the 3rd consecutive years).
- Won the 1st Corporate Humanities Award – Education Enhancement Excellence Award of the “ASSET Award” in 2024.

(II) Research and development and innovations

1. Earned the 33rd Taiwan Excellence Award in 2025
2. Launched the Intel GAR-A750E graphics card
3. Introduced new generation of Intel CPU Meteor Lake products

(III) Marketing and promotion

1. The Company’s official website traffic continued to hit new heights, with the annual traffic exceeding 2 million visits.
2. The Company was awarded the “Rising Star” by the 2024 Taiwan International Brand Value Evaluation.
3. The Company organized more than 100 AI-related marketing activities, including conferences, forums, exhibitions, etc.2024 business plan.

2. The 2024 Business plan

As the market gradually recovers, most customers are once again placing orders in a normal manner, leading to an increase in sales growth. The trend of AI continues, with relevant demand continually increasing. However, since most of the technologies or applications are new, it takes time to go through the processes of development, testing, small quantity verification, and mass deployment. As a result, it is expected that the contribution to the sales won’t be significant until Q3 2025. Nevertheless, President Trump's inauguration has created uncertainties in policies and the market environment, posing potential risks in 2025.

Important strategies & plans:

- (I) Rebranding: AAEON’s popularity has been increasing in the global market year after year, highlighting the growing importance of brand influence. Therefore, how to make the market and the public better understand AAEON and the value represented by AAEON’s brand is the main focus of rebranding this year. We hope to create another growth curve through such rebranding action.
 - (II) AI software development: In recent years, AAEON’s hardware development for AI edge computing platforms has been comprehensive. A variety of chip hardware platforms are covered, including Nvidia, Intel, AMD, Qualcomm, MediaTek and Rockchip. As the industry evolves, the importance of value-added software is increasing. With this in mind, AAEON is dedicated to developing software that offers customers an increasingly diverse range of solutions with various functions.
 - (III) Digital transformation: The IT sector has evolved from digitalization to smartification. That is, the internal IT applications of enterprises must be oriented toward artificial intelligence. The Company will launch a series of corporate AI projects in different departments, including the smartification of factories, sales, marketing, and knowledge management, etc.
3. Impacts of long-term development strategies/external competition, regulatory environment, and overall business environment.

AI development trends have gradually moved from cloud to edge. AAEON has excellent

embedded design capabilities, adopts constant innovation as the main strategy for product development, and takes customized services as our core competitive advantage, while our superior quality is our commitment to our clients. AAEON is not only a hardware manufacturer, but also a technological service provider, providing hardware design, software development, production and manufacturing, logistics management, and after-sales services. We provide customers with industrial computing platforms of high quality, and become their trustworthy partner.

The industrial computer market is a niche market characterized by small quantities and great diversity. Service, product quality, pricing, and delivery accuracy are all key competitive factors. In the past, each manufacturer focused on its own vertical market to manage customer relations, and the competition was relatively moderate. However, in recent years, consumer electronics manufacturers have actively invested in the industrial computer market, and Chinese manufacturers have also entered this market, resulting in increasingly fierce competition in some price-sensitive markets. In addition, the new U.S. President, Donald Trump, has just taken office, and observation is needed regarding the tariff policy; it is still unclear whether this policy will impact Taiwan's exports. The Company will closely monitor changes in policies, regulations, global economics, geopolitics, and monetary trends, and will accordingly adjust its strategies in a timely manner to respond to challenges.

The "AA" of AAEON represents "Always Agile, Always Ahead." It means AAEON consistently plays a leading role in terms of technology and ensures that the Company's customers stay ahead of competition at all times. Meanwhile, the close and overlapping AA implies that AAEON is a reliable partner that always considers customers as thoroughly as possible. We will uphold the core value – focus, agility, and competitiveness. We continue to grow to be the leading vendor of AI margin calculation.

We sincerely thank all our shareholders, ladies and gentlemen, for taking time out of your busy schedules to attend today's Annual General Meeting. We hope that, as always, you will continue to support, encourage, and provide valuable guidance to our company.

AAEON Technology Inc.



Chairman: Yung-Shun Chuang



President: Chien-Hung, Lin



Chief of Accounting Officer: Jen-Chung Wang



II. Corporate Governance Report

1. Background information of Directors, Supervisors, President, V.P., Assistant V.P., and the heads of various departments and branches

(I) Directors and Supervisors

1. Information of directors

March 31, 2025; Unit: shares; %

Title	Nationality and Registry	Name	Gender	Ages			Date elected	Term	Date first elected	Shareholding when Elected		Current shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks (Note 1)
				41-60	61-70	71-75				Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Republic of China	Jui Hai Investment Co.,Ltd.					May 27, 2022	3 years	Nov. 22, 2011	4,515,000	3.04%	4,739,647	2.80%	-	-	-	-	-	-	None	None	None	-
	Republic of China	Representative: Yung-Shun, Chuang	Male			V	May 27, 2022	3 years	Nov. 22, 2011	19,664,000	13.23%	20,642,399	12.18%	-	-	-	-	Honorary Doctorate in Engineering National Taiwan University of Science and Technology Chairman of AAEON Technology Inc.	President of the Company Other concurrent positions (Note 2)	Director	Fu-Chun, Chuang	first-degree	-
Director	Republic of China	Jui Hai Investment Co.,Ltd.					May 27, 2022	3 years	Nov. 22, 2011	4,515,000	3.04%	4,739,647	2.80%	-	-	-	-	-	-	None	None	None	-
	Republic of China	Representative: Ying-Chen Li	Male			V	May 27, 2022	3 years	Nov. 22, 2011	1,113,000	0.75%	1,049,755	0.62%	-	-	-	-	Ph.D. Electrical Engineering National Taiwan University Chairman of LITEMAX ELECTRONICS INC. CSO of AAEON Technology Inc.	CSO of the Company Other concurrent positions (Note 3)	None	None	None	-

Title	Nationality and Registry	Name	Gender	Ages			Date elected	Term	Date first elected	Shareholding when Elected		Current shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks (Note 1)
				41-60	61-70	71-75				Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	Republic of China	Jui Hai Investment Co.,Ltd.					May 27, 2022	3 years	May 27, 2022	4,515,000	3.04%	4,739,647	2.80%	-	-	-	-	-	-	None	None	None	-
	Republic of China	Representative: Fu-Chun, Chuang	Male	V			May 27, 2022	3 years	May 27, 2022	133,000	0.09%	—	—	-	-	-	-	Bachelor of Electrical Engineering, Cornell University Master of Engineering Management, University of Southern California (USC) Northwestern University Electrical Engineering Master's Program President of ONYX HEALTHCARE INC.	(Note 4)	Director	Yung-Shun, Chuang	first-degree	-
Director	Republic of China	ASUSTeK Computer Inc.					May 27, 2022	3 years	Nov. 22, 2011	43,756,000	29.43%	45,933,118	27.11%	-	-	-	-	-	-	None	None	None	-
	Republic of China	Representative: Jonny Shih	Male			V	May 27, 2022	3 years	Nov. 22, 2011	—	—	—	—	-	-	-	-	MBA of National Chiao Tung University Chairman of ASUS	(Note 5)	Director	Jonathan Tsang	second-degree	-
Director	Republic of China	ASUSTeK Computer Inc.					May 27, 2022	3 years	Nov. 22, 2011	43,756,000	29.43%	45,933,118	27.11%	-	-	-	-	-	-	None	None	None	-
	Republic of China	Representative: Jonathan Tsang	Male			V	May 27, 2022	3 years	Nov. 22, 2011	-	-	-	-	-	-	-	-	MBA of Houston University President of ASUS	(Note 6)	Director	Jonny Shih	second-degree	-
Director	Republic of China	ASUSTeK Computer Inc.					May 27, 2022	3 years	Feb. 21, 2019	43,756,000	29.43%	45,933,118	27.11%	-	-	-	-	-	-	None	None	None	-
	Republic of China	Representative: S.Y. Hsu	Male	V			May 27, 2022	3 years	Feb. 21, 2019	—	—	—	—	-	-	-	-	EMBA, National Taiwan University / Fudan University	(Note 7)	None	None	None	-
Director	Republic of China	IBASE Technology Inc.					May 27, 2022	3 years	May 31, 2019	41,698,468	28.05%	43,773,212	25.83%	-	-	-	-	-	-	None	None	None	-

Title	Nationality and Registry	Name	Gender	Ages			Date elected	Term	Date first elected	Shareholding when Elected		Current shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks (Note 1)
				41-60	61-70	71-75				Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
	Republic of China	Representative: Chiu-Hsu, Lin	Male		V		May 27, 2022	3 years	May 31, 2019	-	-	-	-	-	-	-	-	Department of Electronic Engineering National Kaohsiung University of Applied Sciences Senior Vice President of Taiwan Mycomp Co, Ltd. Chairman and CSO of IBASE Technology Inc.	Chairman and CSO of IBASE Technology Inc. Corporate, Representative of IBASE Inc., Representative of IBT , Director of NOVAKON CO., LTD.	None	None	None	-
Director	Republic of China	IBASE Technology Inc.					May 27, 2022	3 years	May 31, 2019	41,698,468	28.05%	43,773,212	25.83%	-	-	-	-	-	-	None	None	None	-
	Republic of China	Representative: Yu-Nan, Chen	Male	V			May 27, 2022	3 years	May 31, 2019	-	-	-	-	-	-	-	-	Department of Electronics Sihai Institute of Technology Manager of R&D Department Taiwan Mycomp Co, Ltd., Director and President of IBASE Inc.	Chairman and President of IBASE Technology Inc., Representative of IBT, Director of IBASE Japan	None	None	None	-
Director	Republic of China	IBASE Technology Inc.					May 27, 2022	3 years	May 31, 2019	41,698,468	28.05%	43,773,212	25.83%	-	-	-	-			None	None	None	-
	Republic of China	Representative: Chia-Fu, Li (Note 8)	Male	V			Sep. 18, 2024	3 years	May 31, 2019	-	-	-	-	-	-	-	-	Department of Electrical Engineering, Feng Chia University, Manager of R&D Department Taiwan Mycomp Co, Ltd., Director and President of IBASE Inc.	Director of NOVAKON CO., LTD.	None	None	None	-

Title	Nationality and Registry	Name	Gender	Ages			Date elected	Term	Date first elected	Shareholding when Elected		Current shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks (Note 1)
				41-60	61-70	71-75				Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	Republic of China	Daho Yen	Male			V	May 27, 2022	3 years	May 31, 2019	-	-	-	-	-	-	-	-	LL.M, The Methodist University of U.S.A, The Deputy Minister of Ministry of Justice, The Attorney General of The Highest Prosecutors Office	(Note 9)	None	None	None	-
Independent Director	Republic of China	Kun-Chih, Chen	Male	V			May 27, 2022	3 years	May 31, 2019	-	-	-	-	-	-	-	-	Ph.D., University of Southern California, Assistant Professor, Singapore Management University, Associate Professor, National Taiwan University, Independent Director of Cowealth Medical Holding Co., Ltd.		None	None	None	-
Independent Director	Republic of China	Xiulian Lin	Female	V			May 27, 2022	3 years	May 27, 2022	-	-	-	-	-	-	-	-	Graduate Studies at Drexel University, USA, Department of Accounting, National Taiwan University , Partner of Deloitte United Accounting Firm	(Note 10)	None	None	None	-

Note 1: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest-level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.

Note 2: Chairman of the following companies: ONYX HEALTHCARE INC., AAEON TECHNOLOGY (SUZHOU) INC., EverFocus Co., Ltd., JETWAY INFORMATION CO., LTD., Atechoem INC. Director of the following companies: AAEON Electronics, Inc., AAEON Technology (Europe) B.V., AAEON Technology Singapore Pte. Ltd., LITEMAX ELECTRONICS INC., King Core Electronics Inc., Allied Biotech Corp., MACHVISION, INC., Co., Ltd., Xac Automation Corp., CHC Healthcare Group , IBASE Technology Inc., WINMATE INC., Top Union Electronics Corp. Independent director of the following companies: TAIFLEX SCIENTIFIC CO., LTD.

- Note 3: Chairman of the following companies: LITEMAX ELECTRONICS INC. Director of the following companies: AAEON TECHNOLOGY (SUZHOU) INC., Eutech Microelectronics Inc., Litemax Technology, Inc., Yen Shun Technology Corp., IBASE TECHNOLOGY INC., JET ONE TECHNOLOGY CO., LTD., Independent director of the following companies: Arcadyan Technology Corp., Axix Corp. Executive Director of LITEMAX Electronics (Shanghai) Inc.
- Note 4: Director of the following companies: Fu Li Investment Co., Ltd., Jui Hai Investment Co.,Ltd., YanXin Investment Co., Ltd., PROTECTLIFE INTERNATIONAL BIOMEDICAL INC., Atech OEM Inc.
- Note 5: Chairman of the following companies: ASUSTEK COMPUTER INC., Computer Inc., Hua-Cheng Venture Capital Corp., Hua-Min Investment Co., Ltd., ASUSTOR INC., ASUS INTERNATIONAL LIMITED, CHANNEL PILOT LIMITED. Director of the following companies: ASKEY, SHINEWAVE INTERNATIONAL INC., ASUS TECHNOLOGY INCORPORATION, iMozen Group Inc., Youngmen Computer Co., Ltd., Ming-Chun Computer, eCrowd Media, Inc. and GAIUS AUTOMOTIVE INC.
- Note 6: Director of the following companies: ASUS TECHNOLOGY PTE. LIMITED, UNIMAX ELECTRONICS INC, Hua-Cheng Venture Capital Corp., Hua-Min Investment Co., Ltd and KARTIGEN BIOMEDICINE INC.
- Note 7: Chairman of UPI Semiconductor Corp. Director of the following companies: ASUSTEK COMPUTER INC., Hua-Cheng Venture Capital Corp., APAQ TECHNOLOGY CO., LTD. and ASUS COMPUTER INTERNATIONAL.
- Note 8: On September 18, 2024, IBASE Technology Inc. reassigned its corporate representative. Director Chiu-Hsu, Lin was discharged, and Director Chia-Fu, Li was appointed as the new representative
- Note 9: Director of the following companies: Taishin Charity Foundation、TATUNG COMPANY. Independent Director of the following companies: TAIPEI STAR BANK、SYNCMOLD ENTERPRISE CORP.、Taiwan FamilyMart.Co., Ltd.
- Note 10: Director of the following companies: Pinyou United Accounting Firm、Pinyou Real Estate Appraiser Office、Chairman of Human Management Consulting Co., Ltd. Independent Director of the following companies: PRODUCTION FILM CO., China Motor Corporation, UPI Semiconductor Corp.

2. Corporate shareholders' main shareholders

Mar. 31,2024

Name of corporate shareholder	Corporate shareholders' main shareholders
ASUSTeK Computer Inc. (Note 1)	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF(4.34%),Jonney Shih (4.05%), Yuanta Taiwan High Dividend Fund Account (2.95%),Cathay United Bank managed Expert Union Limited Investment account(2.78%), ASUS's Certificate of Depository with CitiBank (Taiwan)(2.63%), New Labor Pension Fund((2.42%), JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds (1.34%), Investment Account Custodied by JPMorgan Chase Bank, N.A., on behalf of J.P. Morgan Limited(1.30%), Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds(1.22%), Yuanta/P-shares Taiwan Top 50 ETF (1.12%).
Jui Hai Investment Co., Ltd. (Note 2)	FU LI INVESTMENT CO., LTD.(49.58%), Hui-Mei,Huang(23.87%), Yung-Shun, Chuang (11.43%), Fu-Chieh, Chuang(7.56%), Fu-Chun, Chuang(7.56%)
IBASE Technology Inc. (Note 3)	AAEON Technology Inc. (25.68%), Chunbao Investment Co., Ltd. (1.11%), WINMATE INC. (1.04%), HSBC was entrusted with the custody of the investment account of UOB Kay Hian Pte Ltd. (0.88%), Lin Qiuxu (0.78%), AMPIRE CO., LTD. (0.70%), Chen Yangmeilin entrusted trust property special account (0.63%), Xiu-Li Chuang (0.60%), Shih-Hsiung Chen (0.58%), Ruei-Chin Lin entrusted trust property special account (0.58%).

Note 1: The above information is as of Mar. 30, 2025 provided by ASUSTeK Computer Inc.

Note 2: The above information is provided by the Department of Commerce of the Ministry of Economic Affairs and Jui Hai Investment Co., Ltd.

Note 3: The above information is as of Aug. 16, 2024 provided by IBASE Technology Inc.

3. Major shareholders of the major shareholders that are juridical persons

Mar. 31,2024

Name of corporate shareholder	Corporate shareholders' main shareholders
FU LI INVESTMENT CO., LTD. (Note 1)	Yung-Shun, Chuang (43.75%), Hui-Mei, Huang (37.49%), Fu-Chieh, Chuang (9.38%), Fu-Chun, Chuang (9.38%)
Chun Bao Investment Co., Ltd. (Note 2)	Wenbin Xu (28.20%).Wu Suying Xu (22.32%), Yu-Yao Xu (18.69%), Wu-Chun Xu (16.05%), Li-Ping, Lin (14.74%),
WINMATE INC. (Note 3)	Advantech Co., Ltd. (15.05%), Onyx Healthcare Inc.(12.85%), IBase Technologly Inc.(6.11%), JuiHai Investment Co., Ltd.(5.39%), Premier Touch Corporation(3.96%), Kevin Yeh (2.45%) Ru-Yong, Liu(2.13%), , Bi-Ling, Liu (1.68%), Ken Lu (1.48%), Wei-Sheng, Wang (1.34%)
AMPIRE CO., LTD. (Note 4)	AMICCOM ELECTRONICS CORPORATION (5.49%), STL Technology Co., Ltd (3.70%), IBASE TECHNOLOGY INC. (3.06%), Su Hanjie (2.96%), Beiga Investment Corporation Limited (2.58%), Zhi-yong Chen (2.31%), Weikuan Investment Development Corporation Limited (2.28%), TOP TAIWAN XII VENTURE CAPITAL CO., LTD.(1.69%), Chong-Hsien, Li (1.11%), Jane Full Investment Corporation Limited(1.01%),

Note 1: The above information is provided by the Department of Commerce of the Ministry of Economic Affairs and FU LI INVESTMENT CO., LTD.

Note 2: The above information is provided by the Department of Commerce of the Ministry of Economic Affairs and Chun Bao Investment Co., Ltd.

Note 3: The above information is as of Apr. 1, 2024 provided by WINMATE INC.

Note 4: The above information is provided by the Department of Commerce of the Ministry of Economic Affairs and AMPIRE CO., LTD.

4. Directors' Professional Qualifications and Independent Analysis

Criteria Name	Professional qualifications and experience	Independence situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Yung-Shun, Chuang	Graduated from the National Taiwan University of Science and Technology with an honorary doctor of engineering, he is currently the chairman of the company, the chairman of ONYX HEALTHCARE INC. and other listed companies. Committed to the field of industrial computer for nearly 30 years, with professional leadership, marketing, operation management and strategic planning capabilities.	There is no one of the circumstances of Section 30 of the Company Law.	1
Jonny Shih	Graduated from MBA of National Chiao Tung University, he is currently the chairman of ASUS. He has more than five years of work experience required for business company business, and has the ability of industrial operation and technology research and development.	There is no one of the circumstances of Section 30 of the Company Law.	
Jonathan Tsang	Graduated from MBA of Houston University, he is currently the President of ASUS. He has more than five years of work experience required for business, finance and corporate business, and has the ability of industrial operation and marketing management.	There is no one of the circumstances of Section 30 of the Company Law.	
S.Y. Hsu	Graduated from EMBA of National Chengchi University, is currently the co-CEO of ASUS, has more than five years of work experience required for business and corporate business, and has the ability to industrial management and technology research and development.	There is no one of the circumstances of Section 30 of the Company Law.	
Ying-Chen Li	Ph.D. Electrical Engineering National Taiwan University, is currently the CSO of AAEON Technology Inc, Chairman of LITEMAX ELECTRONICS INC. has more than five years of work experience required for business and corporate business, with professional skill of leadership, marketing, operational management and strategy planning.	There is no one of the circumstances of Section 30 of the Company Law.	2
Chiu-Hsu, Lin (Note 1)	Graduated from Electronic Engineering National Kaohsiung University of Applied Sciences, he is currently the chairman and CSO of IBASE Technology Inc., with more than five years of work experience required for business and corporate business, and has the ability to have industrial management and technology research and development.	There is no one of the circumstances of Section 30 of the Company Law.	
Yu-Nan, Chen	Graduated from the Electronics Sihai Institute of Technology, he is currently the chairman and President of IBASE Technology Inc. He has more than five years of work experience required for business and corporate business, and has the ability to have industrial management and technology research and development.	There is no one of the circumstances of Section 30 of the Company Law.	

Criteria Name	Professional qualifications and experience	Independence situation	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chia-Fu Li (Note 1)	Graduated from Department of Electrical Engineering, Feng Chia University, he is currently the President of IBASE Technology Inc., with more than five years of work experience required for business and corporate business, and has the ability to have industrial management and technology research and development.		
Fu-Chun, Chuang	Graduated from the University of Southern California (USC) with a master's degree in engineering management and the Northwestern University with a master's degree in electrical engineering; is the President of Onyx Healthcare USA, Inc.; has five years or more of work experience in commerce and the Company's business and has business administration skills in the industry.	There is no one of the circumstances of Section 30 of the Company Law.	
Daho Yen	Graduated from the University of South America with a Master of Laws degree, is a member of the company's audit committee and compensation committee, and has more than five years of professional occupations such as judges, prosecutors, lawyers, accountants or other national examinations required by the company's business to obtain certificates and the work experience required by the technician.	In the two years before the election and during the term of office, the following independence assessment conditions have been met:	3
Kun-Chih, Chen	Graduated from the University of Southern California with a Ph.D. in Accounting, and is currently an associate professor of the Accounting Department of National Taiwan University. He is the convener of the Company's Audit Committee and a member of the Compensation Committee. He has more than five years of business, legal, financial, accounting or corporate business -related materials. Work experience required for lecturers in colleges and universities.	(1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or	1

Xiulian Lin	<p>Graduated from Drexel University with a master's degree; is the head of the CHAMPiON accounting firm and appraisal firm and the head of the Chengxin Land Administration Agency; is the convener of the Company's Auditing Committee and a member of the Company's Compensation Committee; has five years or more of experience working as a lecturer (or above) in commerce, law, finance, accounting, or any disciplines relevant to the Company's business at a public or private tertiary institution.</p>	<p>any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.</p> <p>(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under another's name, in an aggregate amount of one percent or more of the total number of issued shares of the Company, or one of its top ten shareholders.</p> <p>(4) Not a manager of (1), or spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of (2) or (3)</p> <p>(5) Not a director, supervisor, or employee of an institutional shareholder that directly holds 5% or more of the total number of issued shares of the Company, or ranks as of its top five shareholders, or was appointed pursuant to Article 27 Paragraph 1 or 2 of the Company Act. (The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)</p> <p>(6) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (The same does</p>	3
-------------	---	--	---

		<p>not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)</p> <p>(7) Not the same person as the Company's Chairperson, President or person with equivalent position, or the director, supervisor or employee of company or institution of the spouse thereof. (The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)</p> <p>(8) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company or ranks among its top five shareholders. (The same does not apply, however, in cases where the corporate/institution holds 20% or more and no more than 50% of the total number of issued shares of the Company, or the person is an independent director of the company, its parent company, or any subsidiary, as appointed in accordance with the laws of Taiwan</p>	
--	--	---	--

		<p>or with the laws of the country of the parent company or subsidiary.)</p> <p>(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company in the most recent 2 years with an accumulated service compensation of less than NT\$ 500 thousand, or a spouse thereof. This restriction does not apply to any member of the Compensation Committee, public tender offers Audit Committee or mergers and acquisition special committee, who exercises powers pursuant to the relevant regulations of the Securities and Exchange Act and Business Mergers and Acquisitions Act.</p> <p>(10) Not a spouse or relative of the second degree or closer to any other directors.</p> <p>(11) Does not meet any descriptions stated in Article 30 of The Company Act.</p> <p>(12) Not elected as a government or corporate representative according to Article 27 of The Company Act.</p>	
--	--	--	--

Note 1: On September 18, 2024, IBASE Technology Inc. reassigned its corporate representative. Director Chiu-Hsu, Lin was discharged, and Director Chia-Fu, Li was appointed as the new representative.

(II) Background information of President, V.P., Assistant V.P., and Departments Heads.

March 31, 2025; Unit: shares; %

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remarks (Note 1)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Republic of China	Yung-Shun, Chuang	Male	Aug. 12, 2016	20,642,399	12.18%	-	-	-	-	Honorary Doctorate in Engineering National Taiwan University of Science and Technology Chairman of AAEON Technology Inc.	Other concurrent positions (Note 2)	-	-	-	-
CSO	Republic of China	Ying-Chen Li	Male	Aug. 12, 2016	1,049,755	0.62%	-	-	-	-	Ph.D. Electrical Engineering National Taiwan University Chairman of LITEMAX ELECTRONICS INC. CSO of AAEON Technology Inc.	Other concurrent positions (Note 3)	-	-	-	-
President	Republic of China	Chien-Hung, Lin	Male	Nov. 25, 2014	580,399	0.34%	2,099	0%	-	-	MS in Electrical Engineering National Taiwan University Vice Sales Manager of HP / Agilent President of Advantech Co., Ltd. (Europe Region) Vice President of Advantech Co., Ltd.	Director of the ONYX HEALTHCARE INC. General Manager of JETWAY INFORMATION CO., LTD.	-	-	-	-
Vice President of Office of the President	Republic of China	Kuo-Chiang, Wang	Male	Nov. 1, 2013	62,985	0.04%	-	-	-	-	B.B.A. in Business Administration, Tunghai University President of Twinhead International Corp. (China Branch) President of Advantech Co., Ltd. (Shanghai Branch) President Nexcom International Co., Ltd. (Shanghai Branch)	Director of the FUJIAN CANDID INTERNATIONAL CO., LTD	-	-	-	-
Manager of Rugged Portable Device Division	Republic of China	Da-De, Yang	Male	Mar. 15, 2021	10,497	0.01%	-	-	-	-	MS in Mechanical Engineering, National Central University Product Manager of Quanmax Inc Product Manager of AAEON	None	-	-	-	-
Assistant V.P. of OEM Product Division	Republic of China	Li-Kai, Lai (Note 4)	Male	Apr. 1, 2015	0	0%	-	-	-	-	University of Southern California, Electrical Engineering, M.S. Manager of AAEON	Director of the ONYX HEALTHCARE INC.	-	-	-	-
Assistant V.P. of OEM Product Division	Republic of China	Jen-Chieh, Huang	Male	Apr. 1, 2015	0	0%	-	-	-	-	M.S. in Electrical and Control Engineering National Chiao Tung University Manager of AAEON	None	-	-	-	-
Vice President of Embedded Single Board Product Division	Republic of China	Yu-Yu, Chu	Male	Jun. 27, 2011	39,890	0.02%	-	-	-	-	M.B.A. Yuan Ze University Division Chief of ICP Electronics Inc.	None	-	-	-	-
Senior Assistant V.P. of System Platform Product Division	Republic of China	Shao-Chou, Hsueh	Male	Oct. 1, 2012	64,035	0.04%	-	-	-	-	B.S. in Mechanical Engineering National Cheng Kung University M.B.A. National Taipei University Product Manager of Axiomtek Product Manager of Advantech Co., Ltd.	Director of the ONYX HEALTHCARE INC.	-	-	-	-
Assistant V.P. of Network Security Product Division / Design Support Division	Republic of China	Wen-Ming, Ni	Male	Apr. 1, 2015	88,179	0.05%	-	-	-	-	B.S. Electronic Engineering China University of Science and Technology R&D Manager of Lanner Electronics	None	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Remarks (Note 1)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Vice President of Manufacturing Division / Procurement Division	Republic of China	Chi-Hung, Liao	Male	Mar. 16, 2016	4,199	0%	-	-	-	-	B.S. in Electrical Engineering National Taiwan University of Science and Technology M.S. in Electrical and Computer Engineering University of Arizona	Director of the JETWAY INFORMATION CO., LTD.	-	-	-	-
Senior Assistant V.P. of Business Division	Republic of China	Shu-Chen, Li	Female	Nov. 3, 2015	2,099	0%	-	-	-	-	EMBA, National Chengchi University CEO Specialist / Assistant V.P. of Advantech Co., Ltd. President of Zippy Technology Corp. (China region) Vice Sales General Manager of Good Way Technology Co., Ltd.	None	-	-	-	-
Senior Assistant V.P. Service Division	Republic of China	Yun-Chen, Tu	Female	Apr. 1, 2015	24,279	0.01%	-	-	-	-	B.B.A. in Accounting Chung Yuan Christian University Manager of LiteOn Technology	Supervisor of ONYX HEALTHCARE (SHANGHAI) LTD. Supervisor of AAeon Technology (Suzhou) Inc. Director of the JETWAY INFORMATION CO., LTD.	-	-	-	-
Accounting Manager of Resource Service Division	Republic of China	Jen-Chung Wang	Female	Feb. 26, 2020	31,492	0.02%	-	-	-	-	M.B.A. in Business Administration Long Island University Assistant Manager of PwC Taiwan Assistant Manager of LiteOn Technology	None	-	-	-	-
Internal Audit Manager	Republic of China	Wan-Hui, Chiu	Female	Apr. 1, 2015	12,597	0.01%	-	-	-	-	Chinese Institute of Municipal Administration Auditor of Chien Kuo Construction Co., Ltd. Senior Auditor of Wang Film Productions Co., Ltd.	None	-	-	-	-
Governance manager	Republic of China	Ming-Han Hsieh	Male	Nov. 5, 2021	0	0%	-	-	-	-	B.S. in Law National Taiwan University Legal Manager of Cyber Power Systems, Inc.	None	-	-	-	-
Assistant V.P. of Manufacturing Center-Board Manufacturing Div.	Republic of China	Jansin Li	Male	Apr. 1, 2023	12,000	0.01%	-	-	-	-	B.S in Electrical and Electronic Engineering, St. John's & St. Mary's Institute of Technology Manager of Axiomtek Assistant V.P. of Avalue Technology	None	-	-	-	-
Assistant V.P. of Corporate Marketing Division	Republic of China	Chris Chuang	Male	Apr. 1, 2023	23,094	0.01%	-	-	-	-	B.S in International Business National Taiwan University Senior Manager of ATEN International Co., Ltd	None	-	-	-	-
Assistant V.P. of Information technology Dept.	Republic of China	Hank Peng	Male	Apr. 1, 2023	35,691	0.02%	-	-	-	-	M.B.A. in Business Administration University of Northern Virginia Manager of Advantech Co., Ltd. Manager of EATON PHOENIXTEC MMPL CO., LTD	None	-	-	-	-

- Note 1: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest-level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.
- Note 2: Chairman of the following companies: ONYX HEALTHCARE INC., AAEON TECHNOLOGY (SUZHOU) INC., EverFocus Co., Ltd., JETWAY INFORMATION CO., LTD., Atechoem INC. Director of the following companies: AAEON Electronics, Inc., AAEON Technology (Europe) B.V., AAEON Technology Singapore Pte. Ltd., LITEMAX ELECTRONICS INC., King Core Electronics Inc., Allied Biotech Corp., MACHVISION, INC., Co., Ltd., Xac Automation Corp., CHC Healthcare Group, IBASE Technology Inc., WINMATE INC., Top Union Electronics Corp. Independent director of the following companies: TAIFLEX SCIENTIFIC CO., LTD.
- Note 3: Chairman of the following companies: LITEMAX ELECTRONICS INC. Director of the following companies: AAEON TECHNOLOGY (SUZHOU) INC., Eutech Microelectronics Inc., Litemax Technology, Inc., Yen Shun Technology Corp., IBASE TECHNOLOGY INC., JET ONE TECHNOLOGY CO., LTD., Independent director of the following companies: Arcadyan Technology Corp., Axix Corp. Executive Director of LITEMAX Electronics (Shanghai) Inc.
- Note 4: Assistant V.P. Li-Kai, Lai was on unpaid leave from Dec. 2019.

2. Directors', Supervisors' President's and V.P. remuneration

1. Remuneration of Directors

Unit: NT\$ thousand / thousand shares

Title	Name	Directors' remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Remuneration of part-time employee								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Compensation Paid to Supervisors from an Invested Company Other than the Company's Subsidiary
		Base Compensation (A)		Severance Pay (B)		Remuneration to Directors (C) (Note 2)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Remuneration to employees (G) (Note 2)						
		The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company		Companies in the financial statements		The Company	Companies in the financial statements	
Chairman	Jui Hai Investment Co.,Ltd. - Yung-Shun, Chuang																					
Director	Jui Hai Investment Co.,Ltd. - Ying-Chen Li																					
Director	Jui Hai Investment Co.,Ltd. - Fu-Chun, Chuang																					
Director	ASUSTeK Computer Inc. - Jonny Shih	-	-	-	-	9,630	10,230	174	174	9,804	10,404	8,608	12,949	108	108	3,585	-	4,923	-	22,105	28,384	125,865
Director	ASUSTeK Computer Inc. - Jonathan Tsang									1.01%	1.08%									2.29%	2.94%	
Director	ASUSTeK Computer Inc. - S.Y. Hsu																					
Director	IBASE Technology Inc. - Chiu-Hsu, Lin																					
Director	IBASE Technology Inc. - Chia-Fu, Li																					
Director	IBASE Technology Inc. - Yu-Nan, Chen																					
Independent Director	Daho Yen																					
Independent Director	Kun-Chih, Chen	2,160	2,160	-	-	-	-	228	228	2,388	2,388	-	-	-	-	-	-	-	-	2,388	2,388	-
Independent Director	Xiulian Lin									0.25%	0.25%									0.25%	0.25%	
1. Please state the policy, system, standards and structure of independent directors' remuneration payment, and describe the relevance to the amount of payment of remuneration according to the responsibilities, risks, time invested and other factors: according to the company's" Rules of Independent Directors' Duties" Stipulates that the remuneration of independent directors of the company should be stipulated in the articles of association of the company, and reasonable remuneration different from that of general directors can be determined.																						
2. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being independent consultant: \$ 0.																						

Note 1: The Company's 2024 profit after tax was \$966,877 thousand.

Note 2: The remuneration to Directors and employees for the year 2024 is not yet distributed. The above is only an estimate.

Remuneration Bracket

Range of Remuneration	Name of directors			
	Total of (A+B+C+D)		The total of the aforementioned 7 items (A+B+C+D+E+F+G)	
	The Company	Companies in the financial statements	The Company	Companies in the financial statements
Less than 1,000,000	Jui Hai Investment Co., Ltd., ASUSTeK Computer Inc., Dahon Yen, Kun-Chih, Chen, Xiulian Lin, Chiu-Hsu, Lin, Yu-Nan, Chen, Yung-Shun, Chuang, Ying-Chen Li, Fu-Chun, Chuang	Jui Hai Investment Co., Ltd., ASUSTeK Computer Inc., Dahon Yen, Kun-Chih, Chen, Xiulian Lin, Chiu-Hsu, Lin, Yu-Nan, Chen, Yung-Shun, Chuang, Ying-Chen Li, Fu-Chun, Chuang	Jui Hai Investment Co., Ltd., ASUSTeK Computer Inc., Dahon Yen, Kun-Chih, Chen, Xiulian Lin, Chiu-Hsu, Lin, Yu-Nan, Chen, Fu-Chun, Chuang	Jui Hai Investment Co., Ltd., ASUSTeK Computer Inc., Dahon Yen, Kun-Chih, Chen, Xiulian Lin, Chiu-Hsu, Lin, Yu-Nan, Chen
1,000,000(inclusive)~2,000,000 (exclusive)				
2,000,000(inclusive)~3,500,000 (exclusive)				
3,500,000(inclusive)~5,000,000 (exclusive)				Fu-Chun, Chuang
5,000,000(inclusive)~10,000,000 (exclusive)			Yung-Shun, Chuang, Ying-Chen Li	Ying-Chen Li
10,000,000(inclusive)~15,000,000 (exclusive)				Yung-Shun, Chuang,
15,000,000(inclusive)~30,000,000 (exclusive)				
30,000,000(inclusive)~50,000,000 (exclusive)				
50,000,000(inclusive)~100,000,000 (exclusive)				
> \$100,000,000				ASUSTeK Computer Inc.,
Total	10 persons	10 persons	10 persons	10 persons

Note: Yung-Shun, Chuang, Ying-Chen Li are concurrently the Company's employees.

2. Remuneration to Supervisors: The Company has established the Auditing Committee in place of Supervisors on Jun. 30, 2016.

3. Remuneration of President and Vice President

Unit: NT\$ thousand / thousand shares

Title	Name	Salary (A) (Note 2)		Severance Pay (B)		Bonuses and allowances (C)		Remuneration to employees (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Compensation Paid to Supervisors from an Invested Company Other than the Company's Subsidiary
		The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company	Companies in the financial statements	The Company		Companies in the financial statements		The Company	Companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	Yung-Shun, Chuang	17,658	23,670	526.8	634.8	7,885	10,636	8,424	0	10,695	0	34,493	45,635	8,004
CSO	Ying-Chen Li													
President	Chien-Hung, Lin													
Vice President	Kuo-Chiang, Wang													
Vice President	Chi-Hung, Liao													
Vice President	Yu-Yu, Chu											3.57%	4.72%	

Note 1: The Company's 2024 profit after tax was \$966,877 thousand.

Note 2: The remuneration to Directors and employees for the year 2024 is not yet distributed. The above is only an estimate.

Table of salaries scale

Range of Remuneration	Names of the Presidents and the V.P.	
	The Company	Companies in the financial statements
Less than 1,000,000		
1,000,000(inclusive)~2,000,000 (exclusive)		
2,000,000(inclusive)~3,500,000 (exclusive)	Kuo-Chiang, Wang	
3,500,000(inclusive)~5,000,000 (exclusive)	Ying-Chen Li, Chi-Hung, Liao	Ying-Chen Li, Chi-Hung, Liao, Kuo-Chiang, Wang
5,000,000(inclusive)~10,000,000 (exclusive)	Yung-Shun, Chuang, Chien-Hung, Lin, Yu-Yu, Chu	Yu-Yu, Chu
10,000,000(inclusive)~15,000,000 (exclusive)		Yung-Shun, Chuang, Chien-Hung, Lin
15,000,000(inclusive)~30,000,000 (exclusive)		
30,000,000(inclusive)~50,000,000 (exclusive)		
50,000,000(inclusive)~100,000,000 (exclusive)		
> \$100,000,000		
Total	6 persons	6 persons

4. Remuneration to Management in the most recent fiscal year:

Unit: NT\$ thousand

	Title	Name	Stock amount	Cash amount	Total	Total as a percentage of after-tax net profit (%) (Note 1)
Executive	Chairman	Yung-Shun, Chuang	0	14,428	14,428	1.49%
	CSO	Ying-Chen Li				
	President	Chien-Hung, Lin				
	Vice President	Chi-Hung, Liao				
	Vice President	Kuo-Chiang, Wang				
	Senior Assistant V.P.	Yun-Chen, Tu				
	Vice President	Yu-Yu, Chu				
	Assistant V.P.	Jen-Chieh, Huang				
	Assistant V.P.	Li-Kai, Lai (Note 3)				
	Senior Assistant V.P.	Shao-Chou, Hsueh				
	Assistant V.P.	Wen-Ming, Ni				
	Senior Assistant V.P.	Shu-Chen, Li				
	Manager	Jen-Chung Wang				
	Internal Audit Manager	Wan-Hui, Chiu				
	Governance manager	Ming-Han Hsieh				
	Assistant V.P.	Hank Peng				
	Assistant V.P.	Chris Chuang				
	Assistant V.P.	Jansin Li				

Note 1: The Company's 2024 profit after tax was \$966,877 thousand.

Note 2: Assistant Vice President Li-Kai, Lai was on unpaid leave from Dec. 2019

(IV) Compare and explain the company's and all companies in the consolidated statement in the past two years of the total amount of remuneration of the company's directors, supervisors, general managers and deputy general managers as a percentage of the net profit after tax and after having explained the policies, standards, combination of remuneration; setting remuneration procedures; and the relevance of the business performance and the future risks.

1. The remuneration to the Company's Director as the percentage of the net profit after tax in the last two years:

Unit: NT\$ thousand; %

Item	2023		2024	
	The Company	Consolidated financial statements	The Company	Consolidated financial statements
Total remuneration to Directors, Supervisors, President, and Vice President as a percentage of the net profit after tax (%)	5.68%	6.82%	4.83%	6.05%

2. Policy, standard and combination of the remuneration, remuneration setting procedures, and the relevance of the business performance and the future risks:

(1) Policy, standard and combination of the remuneration, and remuneration setting procedures.

(A) Director

The company's directors' remuneration shall be authorized in accordance with the company's articles of association and the regulations on remuneration of directors and managers, according to the degree of participation in the company's operations and the value of their contributions, and considering domestic and foreign industry standards, the company's operating performance, future operations and risk appetite. Determined by the board of directors. The distribution of directors' remuneration shall be based on the company's articles of association. After deducting accumulated losses from the profits of the current year (that is, the pre-tax profits have not yet deducted the distribution of employee remuneration and director's remuneration expenses), if there is any remaining balance, no more than 1% shall be appropriated as directors' remuneration. Independent Directors do not participate in the distribution of another directors' remuneration.

(B) Presidents and the V.P.

In accordance with the regulations on remuneration of directors and managers, the remuneration of the general manager and deputy general managers includes salary, bonus and employee remuneration. the salary level is determined according to the position held by the company, the responsibility or performance achieved and negotiated with reference to the industry standard; the distribution standard of employee remuneration is in accordance with the company's articles of association, submitted to the board of directors and issued after the resolution and approval of the shareholders' meeting.

(2) The relevance of the business performance and the future risks

Regarding the procedure for determining remuneration, the overall operating performance of the Company and the individual's contribution to the Company's performance are taken into consideration to determine a reasonable remuneration. In addition, in order to reduce future operating risks, the Company will review the remuneration system at any time in accordance with the actual operating performance and relevant laws and regulations in order to maintain the Company's sustainable operations and risk control. To sum up, the Company's policies and procedures for distribution of remuneration to Directors, President and Vice President are positively related to operating performance.

3. Corporate governance

(I) The operation of the Board of Directors

The Board of Directors held 6 meetings(A) in the most recent fiscal year (2024).

The record of the Directors' attendances is shown below:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Chairman	Jui Hai Investment Co.,Ltd. Representative: Yung-Shun, Chuang	6	0	100%	Re-elected at the May 27, 2022 General Shareholders' Meeting.

Director	Jui Hai Investment Co.,Ltd. Representative: Ying-Chen Li	5	0	83.3%	Re-elected at the May 27, 2022 General Shareholders' Meeting.
Director	ASUSTeK Computer Inc. Representative: Jonny Shih	6	0	100%	Re-elected at the May 27, 2022 General Shareholders' Meeting.
Director	ASUSTeK Computer Inc. Representative: Jonathan Tsang	6	0	100%	Re-elected at the May 27, 2022 General Shareholders' Meeting.
Director	ASUSTeK Computer Inc. Representative: S.Y. Hsu	5	1	83.3%	Re-elected at the May 27, 2022 General Shareholders' Meeting.
Director	Jui Hai Investment Co., Ltd. Representative: Fu-Chun, Chuang	6	0	100%	New elected at the May 27, 2022 General Shareholders' Meeting.
Director	IBASE Technology Inc. Representative: Chiu-Hsu, Lin	5	0	100%	Re-elected at the May 27, 2022 General Shareholders' Meeting, and was discharged on Sep. 18, 2024.
Director	IBASE Technology Inc. Representative: Yu-Nan, Chen	6	0	100%	Re-elected at the May 27, 2022 General Shareholders' Meeting
Director	IBASE Technology Inc. Representative: Chia-Fu, Li	1	0	100%	On September 18, 2024, was appointed as the new representative
Independent Director	Daho Yen	6	0	100%	Re-elected at the May 27, 2022 General Shareholders' Meeting
Independent Director	Kun-Chih, Chen	6	0	100%	Re-elected at the May 27, 2022 General Shareholders' Meeting
Independent Director	Xiulian Lin	6	0	100%	New elected at the May 27, 2022 General Shareholders' Meeting. (should attendance in person 3 meetings)
Other remarks:					
I. If any of the following circumstances happens in the operation of the Board of Directors, it shall describe the date, term, agenda, opinion of independent directors and the Company's treatment of these opinions:					

(1) The provision of the Securities and Exchange Act, Article 14-3:

Board of Directors	Agenda	Items listed in Article 14-3 of Securities and Exchange Act	Opinion of independent director	Company's treatment of the opinions	Resolution
The 5th time of the 10th term (Jan. 08, 2024)	Proposal for the Distribution of Year-End Bonuses for Managers for 2023	V	None	None	Except for the interested parties, approved by all the attendees.
The 5th time of the 10th term (Jan. 08, 2024)	Proposal for the Allocation of Employee Compensation and Director Remuneration for 2023 (Estimated)	V	None	None	Except for the interested parties, approved by all the attendees.
The 5th time of the 11th term (Feb. 29, 2024)	Case of Internal Control Effectiveness and Declaration of Internal Control System for 2023	V	None	None	Approved by all the attendees.
The 5th time of the 11th term (Feb. 29, 2024)	Case of Profit Distribution for 2023	V	None	None	Approved by all the attendees.
The 5th time of the 11th term (Feb. 29, 2024)	Proposal for the Distribution of Stock Dividends of NT\$0.5 per Share through Capitalization of Capital Surplus	V	None	None	Approved by all the attendees.
The 5th time of the 11th term (Feb. 29, 2024)	Proposal for Audit Certification and Related Fees for 2023 and 2024	V	None	None	Approved by all the attendees.
The 5th time of the 11th term (Feb. 29, 2024)	Donation of NT\$2.5 million to AAEON EDUCATION FOUNDATION.	V	None	None	Except for the interested parties, approved by all the attendees.
The 5th time of the 11th term (Feb. 29, 2024)	Proposal for Managerial Salary Adjustment for 2023	V	None	None	Except for the interested parties, approved by all the attendees.
The 5th time of the 12th term (Apr. 19, 2024)	Proposal for Issuance of New Shares through Capitalization of Capital Surplus (Including Additional Explanations and Item Number Adjustments)	V	None	None	Approved by all the attendees.
The 5th time of the 12th term (Apr. 19, 2024)	Proposed Issuance of the First Employee Stock Option Plan of 2024 with an Exercise Price Below Market Value	V	None	None	Approved by all the attendees.
The 5th time of the 13th term (May. 09, 2024)	Case of Applying for Comprehensive Credit Facility and Derivative Financial Instruments Trading Limit (Renewal)	V	None	None	Approved by all the attendees.
The 5th time of the 14th term (Aug. 06, 2024)	Proposal for the Distribution of Director Remuneration for 2022	V	None	None	Except for the interested parties, approved by all the attendees.

The 5th time of the 15th term (Nov. 07, 2024)	Revision of Internal Control and Internal Audit System for 2024	V	None	None	Approved by all the attendees.
The 5th time of the 15th term (Nov. 07, 2024)	Internal Audit Plan for 2025	V	None	None	Approved by all the attendees.

(2) If an Independent Director has a dissenting or qualified opinion which is on record or stated in a written statement regarding a motion not mentioned above: None.

II. With respect to the avoidance of conflicting interest agenda, describe the names of directors, details of the relevant agenda, reasons for avoiding conflict of interest, and the voting decisions:

Date	Agenda	Name of director	Reason for interest avoidance	Participation in Resolution
Jan. 08, 2024	Proposal for the Distribution of Year-End Bonuses for Managers for 2023	Yung-Shun, Chuang, Ying-Chen Li,	Yung-Shun, Chuang, Ying-Chen Li, are the concerned parties	Yung-Shun, Chuang, YingChen Li, avoided the conflict interest pursuant to the law, and did not participate in the voting.
Jan. 08, 2024	Proposal for the Allocation of Employee Compensation and Director Remuneration for 2023 (Estimated)	Yung-Shun, Chuang, Ying-Chen Li, Fu-Chun, Chuang, Jonny Shih, Jonathan Tsang, S.Y. Hsu, Chiu-Hsu, Lin, Yu-Nan, Chen	Yung-Shun, Chuang, YingChen Li, Fu-Chun, Chuang, Jonny Shih, Jonathan Tsang, S.Y. Hsu, Chiu-Hsu, Lin, Yu-Nan, Chen are the concerned parties	Yung-Shun, Chuang, Ying-Chen Li, Fu-Chun, Chuang, Jonny Shih, Jonathan Tsang, S.Y. Hsu, ChiuHsu, Lin, Yu-Nan, Chen avoided the interest pursuant to the law, and did not participate in voting.
Feb. 29, 2024	Donation of NT\$2.5 million to AAEON EDUCATION FOUNDATION.	Yung-Shun, Chuang	Yung-Shun, Chuang, is the concerned parties	Yung-Shun, Chuang, avoided the conflict interest pursuant to the law, and did not participate in the voting.
Feb. 29, 2024	Proposal for Managerial Salary Adjustment for 2024	Yung-Shun, Chuang, Ying-Chen Li	Yung-Shun, Chuang, Ying-Chen Li, are the concerned parties	Yung-Shun, Chuang, YingChen Li, avoided the conflict interest pursuant to the law, and did not participate in the voting.
Aug. 6, 2024	Proposal for the Distribution of Director Remuneration for 2023	Yung-Shun, Chuang, Ying-Chen Li, Fu-Chun, Chuang, Jonny Shih, Jonathan Tsang, S.Y. Hsu, Chiu-Hsu, Lin, Yu-Nan, Chen	Yung-Shun, Chuang, YingChen Li, Fu-Chun, Chuang, Jonny Shih, Jonathan Tsang, S.Y. Hsu, Chiu-Hsu, Lin, Yu-Nan, Chen are the concerned parties	Yung-Shun, Chuang, Ying-Chen Li, Fu-Chun, Chuang, Jonny Shih, Jonathan Tsang, S.Y. Hsu, ChiuHsu, Lin, Yu-Nan, Chen avoided the interest pursuant to the law, and did not participate in voting.

III. The information on the frequency, period, scope, method and content of TWSE/TPEX listed company's Board of Director self-evaluation (or peer assessment) shall be disclosed. The status of the Board evaluation:

Frequency	Period	Scope	Method	Content
Once a year	January 1, 2024 to December 31, 2024	Board of Directors	Performance assessment results of the Board	<ol style="list-style-type: none"> 1. The degree of participation in the company's operations. 2. Improvement in the quality of decision making by the board of directors. 3. The composition and structure of the board of directors. 4. Director election and continuing education. 5. Internal controls.

		Members of Board of Directors	Survey of assessment on members of Board of Directors	<ol style="list-style-type: none"> 1. Their grasp of the company's goals and missions. 2. Their recognition of director's duties. 3. The degree of participation in the company's operations. 4. Their management of internal relationships and communication. 5. Their professionalism and continuing professional education. 6. Internal controls.
		Audit Committee	Survey of assessment on members of Audit Committee	<ol style="list-style-type: none"> 1. The degree of participation in the company's operations. 2. Understanding in the Audit Committee's duties. 3. Improvement on decision making quality of the Audit Committee. 4. Composition and election of Audit Committee members. 5. Internal controls.
		Compensation Committee	Survey of assessment on members of Compensation Committee	<ol style="list-style-type: none"> 1. The degree of participation in the company's operations. 2. Understanding in the Compensation Committee's duties. 3. Improvement on decision-making quality of the Compensation Committee. 4. Composition and election of Compensation Committee members. 5. Internal controls.
		Risk Management Committee	Risk Management Committee self-evaluation questionnaire	<ol style="list-style-type: none"> 1. The degree of participation in the company's operations. 2. Understanding in the Risk Management Committee's duties. 3. Improvement on decision-making quality of the Risk management Committee. 4. Composition and election of Risk management Committee members. 5. Internal controls.

Details:

On Jul. 25, 2017, the Board has approved the “Self-Evaluation or Peer Assessment of the Board of Directors”, and stipulated that the evaluation must be completed before the deadline and submitted to the Board. In Dec. 2019, the Board made the 1st amendment to the “Self-Evaluation or Peer Assessment of the Board of Directors.” the results of the board performance evaluation for the year 2024 will be reported to the Board of Directors in 2025.

2024 Evaluation results: Board self-evaluation and peer-assessment: Excellent; Audit Committee self-evaluation: Excellent; Compensation Committee self-evaluation: Excellent; Risk Management Committee self-evaluation: Excellent.

Suggestions for the Board of Directors’ performance external evaluation results:

- (1) It is recommended that the Company consider enhancing its director nomination mechanism in the future, promoting the selection, training, and development of board members and key management personnel. The Company is also advised to increase the number of independent directors and female directors to achieve the goals of board professionalization, diversification, and succession planning.
- (2) Currently, the Company’s Board of Directors and each functional committee engage in thorough communication and discussion on matters required by relevant regulatory

authorities. It is recommended that the Corporate Governance Department assign appropriate personnel to prearrange the meeting schedules of the Board and each functional committee at the beginning of each year, and coordinate with the Chairperson of the Board and the conveners of the functional committees to establish work plans and objectives for each term and each year within the term. This will further strengthen the Board's and committees' oversight and management responsibilities, safeguard investors' rights, and enhance the Company's role as a benchmark for corporate governance excellence.

IV. Enhancements to the functionality of the Board of Directors in the current and the most recent year (e.g., the establishment of an Audit Committee, improving information transparency etc), and the progress of such enhancements:

1. The Company has formulated the "Rules for Board Meetings" which sets out the relevant requirements for convening Board Meetings to follow. The Company has also encouraged Directors to participate in professional courses to enhance the functions of the Board and its ability to govern the Company.
2. The Company has established Independent Directors and the Audit Committee in its aim to strengthen the Board's governance of the Company, and to supervise the compliance of Board's operation to "Scope of Independent Directors".
3. The Company has established Compensation Committee to assist Directors with determining the overall company remuneration and benefit system, and review on a regular basis the appropriateness of Directors and Managers.
4. The Company urges all Directors to participate in all external seminars and occupational trainings to enhance governance capability of the Company.
5. Please refer to [Attachment 3] "(III) Corporate Governance and Operation, Differences from the Corporate Governance Best Practice Principles for the TWSE/ GTSM Listed Companies and Reasons."

(II) The operations of the Auditing Committee:

The Audit Committee held 5 meetings (A) in the most recent fiscal year (2024). The record of the Independent Directors' attendances is shown below:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Members	Daho Yen	5	0	100%	Re-elected at the May 27, 2022 General Shareholders' Meeting
Members	Kun-Chih, Chen	5	0	100%	Re-elected at the May 27, 2022 General Shareholders' Meeting
Members	Xiulian Lin	5	0	100%	New elected at the May 27, 2022 General Shareholders' Meeting.

Other remarks:

- I. For the operations of the Audit Committee in any of the following circumstances, please specify the date, term, the contents of the proposals, the opinions of all Auditing Committee members, and the Company's response to the opinions proposed by the Audit members:

(I) On issues stated in Article 14-5 of the Securities and Exchange Act:

	Audit Committee	Agenda	Items listed in Article 14-5 of Securities and Exchange Act	Opinion of independent director	Company's treatment of the opinions	Resolution
	The 3rd time of the 8th term (Feb. 29, 2024)	1. Effectiveness of Internal Control System and Internal Control System Statement for 2023 2. Financial Report for 2023 3. The distribution of 2023 retained earnings 4. Proposal for the Distribution of Stock Dividends of NT\$0.5 per Share through Capitalization of Capital Surplus 5. Donation of NT\$2.5 million to AAEON EDUCATION FOUNDATION. for 2024 6. Proposal for Audit Certification and Related Fees for 2023 and 2024 7. Pre-approval of Auditor's Non-Assurance Services in Accordance with the International Ethics Standards for Accountants (IESBA Code)	V	None	None	Approved by all the attendees.
	The 3rd time of the 9th term (Apr. 19, 2024)	1. Proposal for Issuance of New Shares through Capitalization of Capital Surplus (Including Additional Explanations and Item Number Adjustments) 2. Proposed Issuance of the First Employee Stock Option Plan of 2024 with an Exercise Price Below Market Value	V	None	None	Approved by all the attendees.
	The 3rd time of the 10th term (May. 09, 2024)	1. 2024 Q1 financial report	V	None	None	Approved by all the attendees.
	The 3rd time of the 11th term (Aug. 06, 2024)	1. 2024 Q2 financial report	V	None	None	Approved by all the attendees.
	The 3rd time of the 12th term (Nov. 07, 2024)	1. 2024 Q3 financial report 2. Revision of Internal Control and Internal Audit System for 2024 3. Internal Audit Plan for 2025	V	None	None	Approved by all the attendees.
(II) In addition to the aforementioned motions, other motions without approval by the Auditing Committee but passed by the Board with 2/3 of the Directors: None.						
II. Situation of the implementation of the Independent Directors' avoidance of interest. If such situation exists, name of Independent Directors, motion, reason for interest avoidance and their participation in resolution shall be stated as follows: None. All members have fully expressed their opinions at the meetings.						
III. Enforcement of Corporate Governance Implemented by the Company and Reasons for Discrepancy (incl. material matters in the communication, method and results of the Company's financial position, sales performance):						
(I) Communication between independent directors and the Internal audit manager.						
1. According to the annual audit plan execution status, submit the audit report for the previous month by the end of each month, and prepare improvement tracking reports quarterly for review						

- by each committee member. If there are any doubts, communicate fully via phone or email at any time.
2. Hold quarterly meetings with the internal audit director to communicate with independent directors, audit committees, and board members, reporting on the company's audit business. In case of significant abnormalities, immediate reports should be made to all committee members for review and verification. During this fiscal year, communication between independent directors and the internal audit director occurred on May 9, 2024, during which the Company's Governance manager was requested to revise the "Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Ethical Conduct" due to certain incomplete aspects based on the applicable standards, and to present the amendments at the next Board meeting. Subsequently, the Corporate Governance Officer reported the execution status of the May 9, 2024 meeting resolutions during the Board meeting on August 6, 2024. After the report, the independent directors expressed no further comments.
 3. Regular communication with independent directors via phone, email, or in-person meetings as needed, maintaining good communication.
- (II) Summary of communication between independent directors and the Internal audit manager in 2023:

Date	Attendee	Communication focus	Communication results
2024/2/29	Independent Director Xiulian, Lin Independent Director DaHo, Yen Independent Director Kun-Chih, Chen Internal audit manager Wan-Hui, Chiu	1. 2023.10~2024.1 Internal Audit Implementation Report. 2. 2023 Statement of Internal Control	No question raised.
2024/5/9	Independent Director Xiulian, Lin Independent Director DaHo, Yen Independent Director Kun-Chih, Chen Internal audit manager Wan-Hui, Chiu	2024.01-03 Internal Audit Implementation Report.	1. After the meeting, provide a consolidated summary of the relevant regulations and procedures that are required to be reported to the shareholders' meeting. 2. For future submissions of revisions to the Audit Committee or the Board of Directors, if the amendments are based on regulatory standards, the relevant legal bases must be attached as appendices when submitting the proposed changes. 3. The Governance manager was requested to revise the "Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Ethical Conduct" to address areas that were previously incomplete according to the applicable standards, and to submit the amendments for approval at the next Board meeting. In addition, for regulations requiring submission to independent directors (or supervisors), the matters should be reported through the Audit Committee.

2024/8/6	Independent Director Xiulian, Lin Independent Director DaHo, Yen Independent Director Kun-Chih, Chen Internal audit manager Wan-Hui, Chiu Governance manager Ming-Han Hsieh (Report in Attendance)	1.2023.01-06 Internal Audit Implementation Report 2. Status of Implementation of the May 9, 2024 Meeting Resolutions	No question raised.
2024/11/7	Independent Director Xiulian, Lin Independent Director DaHo, Yen Independent Director Kun-Chih, Chen Internal audit manager Wan-Hui, Chiu	1.2024.01-09 Internal Audit Implementation Report. 2.Revision of Internal Control and Internal Audit Systems for 2024. 3. Plan of internal audit in 2025	No question raised.

(III) Communication between the independent directors and CPA:

1. The CPA explained the audit (review) matters for the financial statements and the audit results related to the key audit matters for the financial statements at an Audit Committee meeting and engaged in discussion with the independent directors, and the communication was smooth.
2. In addition to the communication in the Audit Committee meetings, if independent directors have any question, they can communicate with the CPA by phone, video, or email at any time.

(IV) Summary of communication between the independent directors and the CPA in 2023:

Date	Attendee	Communication focus	Implementation results
2024/2/29	Independent Director Kun-Chih Chen Independent Director DaHo Yen Independent Director Xiulian Lin CPA Shu-Chiung, Chang	1.The audit results of the consolidated financial statements and individual financial statements for the fiscal year 2023 2. Explanation of Audit Quality Indicators (AQIs)	1. CPA independently report to the independent directors on the 'updates on communications during the audit planning phase with the governance unit'. The communications include discussions on risk assessment, audit planning, audit materiality, significant matters discussed with management, and explanations of related topics. The accountants also respond to relevant inquiries from the independent directors regarding the audit planning. 2. The auditor provides a separate explanation of the Audit Quality Indicators (AQIs) to the independent directors and responds to any questions they may have regarding the content of the indicators 3. All the attending independent directors were informed and agreed.

IV. The following matters as the major works of the year:

1. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
4. Matters in which a director is an interested party.
5. Asset transactions or derivatives trading of a material nature.
6. Loans of funds, endorsements, or provision of guarantees of a material nature.

7. The offering, issuance, or private placement of equity-type securities.
8. The hiring or dismissal of a certified public accountant, or their compensation.
9. The appointment or discharge of a financial, accounting, or internal audit officer.
10. Annual and semi-annual financial reports.
11. Other material matters as may be required by this Corporation or by the competent authority.

(III) Corporate Governance and Operation, Differences from the Corporate Governance Best Practice Principles for the TWSE/ GTSM Listed Companies and Reasons

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
I. Will the Company based on the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” set up and disclose the Company’s corporate governance best-practice principles?	V		The Company has formulated the "Code of Corporate Governance Practice”	No discrepancy
II. Shareholding structure and shareholders’ equity				
(I) Will the Company have the internal procedures regulated to handle shareholders’ proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly?	V		(I) The Company has set up a spokesperson and a deputy spokesperson to report on the Shareholders’ suggestions or questions in a timely manner. In circumstances of disputes regarding share issues, the spokesperson and the deputy spokesperson will also assist the Shareholders in a fair and reasonable way.	No discrepancy
(II) Will the Company possess the list of the Company’s major shareholders and the list of the ultimate controllers of the major shareholders?	V		(II) The Company keeps track of the shareholdings of Directors, Supervisors, Managers and major shareholders holding more than 10% of the shares.	No discrepancy
(III) Will the Company establish and implement the risk control and firewall mechanisms with the related parties?	V		(III) The Company has formulated regulations regarding related party transactions, guarantee and endorsement, loan to others. Also, the Company has also formulated regulations regarding internal control and internal audit stipulating its subsidiaries in accordance to the “Regulations Governing Establishment of Internal Control Systems by Public Companies”.	No discrepancy

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
(IV) Will the Company set up internal norms to prohibit insiders from utilizing the undisclosed information to trade securities?	V		(IV) The Company has formulated “Procedures for the Prevention of Insider Trading”, and has strengthened publicity to insiders to avoid the occurrence of insider trading.	No discrepancy
III. The constitution and obligations of the board of directors (I) Has the board devised diversified guidelines and implemented them based on member makeup?	V		(I) In accordance to Article 23 of “Corporate Governance Best Practice Principles”, the composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards: 1. Basic requirements and values: Gender, age, nationality, and culture. 2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience. In order to achieve the ideal goals of corporate governance, the Board of Directors should possess the following abilities: operational judgment, accounting and financial analysis, business management, crisis management, industrial knowledge, international market outlook, leadership, and decision-making.	No discrepancy

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			<p>The Board of Directors of the Company has rich qualifications. 90% of the directors are professionals who have been working in various fields and are over 41 years. Currently, there are 11 Directors, including 3 Independent Directors and 8 juridical director representatives., their nationality is Republic of China, and 2 Directors are also employees of the Company. The Board members are of various professional background (e.g., law, accounting, marketing, technology) and ability to carry their duties (operational judgment, accounting and financial analysis, business management, crisis management, industrial knowledge, international market outlook, leadership, and decision-making). Please refer to [Attachment 1] for more details.</p>	
(II) Will the Company, in addition to setting the Compensation Committee and Audit Committee lawfully, have other functional committee set up voluntarily?	V		(II) The Company has established a Compensation Committee and an Audit Committee. Considering the Company's size and business nature, it has voluntarily established additional functional committees, such as the Risk Management Committee and the Sustainability Development Committee, to manage and execute relevant business operations.	No discrepancy
(III) Has the Company established methodology for evaluating the performance of its Board of Directors, on an annual basis? Are the results of the evaluation reported at the Board	V		(III) On Jul. 25, 2017, the Board has approved the "Self-Evaluation or Peer Assessment of the Board of Directors", and stipulated that the evaluation must be completed before the deadline and submitted to the Board. In Dec. 2019, the Board made 1 st amendment	No discrepancy

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
Meeting and used as reference for remuneration and the nomination for re-election?			to the “Self-Evaluation or Peer Assessment of the Board of Directors”. For the year 2024, Results of self-evaluation by members of the the Board of directors: Excellent, External evaluation: Good, Auditing Committee self-evaluation: Excellent. Compensation Committee self-evaluation: Excellent. Results of self-evaluation by members of the Risk Management Committee: Excellent.	
(IV) Will the Company have the independence of the public accountant evaluated regularly?	V		(IV) In the year 2023, revised the 'Corporate Governance Practices Guidelines' through a resolution by the board of directors. It stipulates that Audit Quality Indicators (AQIs) should be referenced regularly (at least once a year) to assess the independence and suitability of appointed accountants. The results are then submitted for review by the Audit Committee and subsequently approved by the board of directors. In the year 2024, the Finance & Accounting Dept. conducted assessments of the independence and suitability of appointed accountants based on Audit Quality Indicators (AQIs), all of which complied with the company's standards for independence and suitability. They are deemed capable of serving as the company's signing accountants. They have obtained independence statements from signing accountants. These assessments were reviewed and approved by the Audit Committee and the board of directors on	No discrepancy

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			February 27, 2025. For detailed assessment results, please refer to [Attachment 2].	
IV. Does the TWSE/TPEX listed company set up a full/part-time corporate governance unit or personnel to be in charge of corporate governance affairs including, but not limited to, providing directors and supervisors with required information for business execution, handling relevant matters with board meetings and shareholders meetings according to the laws, processing corporate registration and amendment registration, and preparing minutes of board meetings and shareholders meetings?	V		<p>The Chief Corporate Governance Officer, has resigned the manager Ming-Han Hsieh took over the position after approved by the board of directors on Nov. 5, 2021, responsible for corporate governance related matters. Main responsibilities of Chief Corporate Governance Officer are as follows:</p> <p>I. Provide the content of “Corporate Governance Best Practice Principles” or “Corporate Governance Evaluation” to facilitate the agenda working unit to conduct Board Shareholders Meetings in accordance with relevant corporate governance standards.</p> <p>II. Provide the content of “Corporate Governance Best Practice Principles” or “Corporate Governance Evaluation” to facilitate the agenda working unit to complete Board Shareholders Meetings minutes in accordance with relevant corporate governance standards.</p> <p>III. Assist with Directors’ taking of office and continuing education</p> <p>IV. Provide Directors with information required for business operation.</p> <p>V. Assist the Board of Directors in the compliance of laws and regulations.</p> <p>VI. Other matters as required by the Company’s Article of Incorporation or contract.</p>	No discrepancy

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			<p>The professional service in 2024 is as follows:</p> <ol style="list-style-type: none"> 1. Assist independent directors and general directors in performing their duties, provide required information, and arrange continuing education for directors. 2. Assist with the compliance matters for the Board of Directors and shareholders' meeting procedures and resolutions. 3. Assist the Board of Directors in releasing material information about important resolutions, after a meeting, to help investors keep abreast of trading information. 4. Remind the dedicated Board meeting group: To notify the directors of the Board meeting agenda seven days in advance, convene meetings, and provide meeting materials, and remind directors of recusal in advance, if applicable, and complete the Board meeting minutes within 20 days after each meeting. 5. Reminder to the Board: Process filing of Shareholders' Meeting and to produce meeting notice within the legally-stipulated deadline, meeting agenda, meeting minutes, and to file for changes when amendment of the Company's Articles of Incorporation or Procedures of Elections for Directors shall take place. 6. In response to the requirements of the competent authorities, the Company has amended the Ethical Corporate Management Best Practice Principles, the Procedures for Ethical Management and Guidelines for 	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			<p>Conduct, and the Code of Ethical Conduct, along with their English versions, in accordance with applicable laws and regulations.</p> <p>For details on continuing education of Directors and Chief Corporate Governance Officer in the year of 2024, please refer to [Attachment 3] and [Attachment 4].</p>	
V. Has the Company established a communication channel with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), set up a stakeholder section on the Company's website, and responded appropriately to the important corporate social responsibility concerns of the stakeholders?	V		<p>Company's Spokesperson as stated in this annual report Name: Yun-Chen, Tu Title: Senior Assistant V.P. TEL: (02)8919-1234 E-mail: speaker@aaeon.com.tw</p> <p>Company's Deputy Spokesperson Name: Chris Chuang Title: Assistant V.P. TEL: +886-2-8919-1234 E-mail: speaker@aaeon.com.tw</p> <p>Due to the communication windows of various stakeholders, the relevant information will be adjusted from time to time due to actual business situations and planning factors. For the latest information, please refer to the Company's official website.</p> <p>The Company has set up a stakeholder section on the website.</p> <p><u>AAEON and employees</u></p> <ul style="list-style-type: none"> Through the suggestion box and a hotline for sexual harassment complaints, the employees can express 	No discrepancy

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			<p>their opinions at any time and get a response from relevant departments of the Company.</p> <ul style="list-style-type: none"> ● At regular employee-management meetings and welfare committee employee representatives meet the Company representatives and communicate face-to-face. The Company's employees do not form a trade union by themselves, so they do not need to sign a collective agreement in accordance with the Collective Agreement Act. However, employee-management meetings are held in accordance with relevant procedures as a regular communication channel between the company and employees. On Mar. 29, Jun. 26, Sep. 24, Dec. 24, 2024, 4 employee-management meetings were held. A total of 27 representatives of employees and management participated the meetings. and a total of 1 proposal was successfully adopted throughout the year. ● Through the Company's internal mailbox, relevant health and epidemic prevention information is sent to the employees from time to time. ● Establish an employee communication platform and conduct regular satisfaction surveys to value the voices of internal customers — the employees. ● Internal customer satisfaction surveys, and pay attention to the voice of internal customers and employees. ● Other non-scheduled thematic questionnaires 	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			<p><u>AAEON and Shareholders</u></p> <p>The Company's "Shareholding structure and shareholders' equity", "The constitution and obligations of the board of directors", "Establishment of Communication Channels with Stakeholders" and "Disclosure of information" are implemented in accordance to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" formulated by the FSC and AAEON's "Corporate Governance Best Practice Principles". In addition to the annual report issued every year, the Company's financial, business, and equity changes are also disclosed to the investors and the public at the MOPS.</p> <p><u>AAEON and Customers</u></p> <p>The "Customer Satisfaction Survey" for global customers is conducted every year. Surveys are conducted on marketing support, product management, logistics, quality, and service. This customer satisfaction survey is an important basis for the Company's continuous improvement. Regular dealer seminars and local product exhibitions are held to understand customer needs and make the most direct communication and response.</p> <p><u>AAEON and Suppliers</u></p> <p>In accordance with the Company's quality policy, environmental policy and environmental protection concept, we proactively carry out written communications</p>	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			<p>with suppliers, including the "Environmental Protection Concept Declaration Letter", proclaiming our quality policy and environmental declaration, and invite them to work together for environmental improvement. We also administer the “Quality and Environmental Management Survey Form, inviting them to jointly comply with the relevant government environmental protection laws and regulations, in waste reduction and environmental protection. An ISO 9001 and ISO 14000 certified company will be listed as a priority supplier. Supplier evaluation and site visits: On-site inspection and communication with suppliers about their delivery stability and quality.</p> <p><u>AAEON and Community</u></p> <p>Through the AAEON EDUCATION FOUNDATION's arts and culture activities and the public welfare activities, we discuss and communicate with the local companies in the community, organize arts and cultural displays, blood donation and other public welfare activities. We proactively arrange art and cultural displays in public areas manufacturers and employees, creating a clean and tidy environment atmosphere.</p> <p><u>AAEON and Government and other Agencies</u></p> <ul style="list-style-type: none"> ● We actively participate in seminars or symposia organize by governments or competent authorities. ● We participate in activities organized by external associations: Taipei Computer Association: obtain information about education, training, markets, or 	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			<p>exhibitions through member participation; or medical institutions related to employee health promotion.</p> <ul style="list-style-type: none"> • We participate in community management committees, such as the Far East Century ABC Management Committee: we participation in the development of industrial park communities. • AAEON Technology has collaborated with the Bao-Gao Smart Industrial Park to promote the "Corporate Co-Prosperity Model." In May 2024, the New Taipei City Economic Development Department, the AAEON Cultural and Educational Foundation, and companies from the Pau Jar Smart Park jointly launched the " Bao-Gao Smart Industrial Park Corporate Co-Prosperity Alliance," focusing on three major themes: Art and Culture Development, Family-Friendly Initiatives, and Public Welfare Connectivity, to enhance corporate collaboration and fulfill social responsibility. 	
VI. Has the Company commissioned a professional stock service agent to handle shareholders affairs?	V		The Company has appointed a professional stock agent (KGI Securities Co., Ltd.) to handle shareholders affairs.	No discrepancy
VII. Disclosure of information				
(I) Does the Company have a website setup and the financial business and corporate governance information disclosed?	V		(I) The Company have disclosed the financial business and corporate governance information on company website.	No discrepancy
(II) Has the Company adopted other information disclosure methods (such as, establishing an English website, designating a responsible	V		(II) The Company has a designated person responsible for the collection of disclosed information, in accordance	No discrepancy

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
<p>person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the juristic person seminar program on the Company's website, etc.)?</p> <p>(III) Does the company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report Q1, Q2, Q3 financial reports and the operating status of each month in advance of the prescribed deadline?</p>	V		<p>with the relevant authority's regulations on information disclosure, and implement the spokesman system.</p> <p>(III) The Company announces and discloses relevant information within the time limit. For related situations, please refer to MOPS.</p>	No discrepancy
VIII. Are there any other important information (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the advanced study of directors and supervisors, the implementation of risk management policies and risk measurement standards, the execution of customer policy, the purchase of liability insurance for the Company's directors and supervisors) that are helpful in understanding the corporate governance operation of the Company?	V		<p><u>Employees' rights and care to employees:</u></p> <p>The Company strictly abides by the provisions of various labor laws, the Company does not discriminate employees by age, gender, race, religion, color, nationality, etc. and employer and employees sign an employment contract with their own their consent. The Company establishes various communication channels. If any employees need to communicate and interact directly with the management, they can directly submit opinions or suggestions to the management via telephone or email at any time, and they will definitely receive feedback in a timely manner. The Company provides a high-quality and suitable working environment, implements smoke-free workplace policies, regular environmental inspections, safe and clean employee restaurants, regularly organizes various arts and cultural displays and provides colleagues with various arts</p>	No discrepancy

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			<p>and cultural activities within the Company. Inside the Company, there are art corridors and literature halls to improve the art culture appreciation of employees and relieve their physical and mental pressure. The Company also has an employee benefit insurance plan. The insurance policy includes: life insurance, accident insurance, medical insurance and cancer insurance.</p> <p><u>Investor relations:</u> Shareholders' rights and interests are valued by AAEON. We focus on the Company's operating results and long-term strategies, through the disclosure of correct, real-time and transparent information, through corporate briefings, shareholder meetings, annual reports and financial statements audited by CPAs. AAEON hopes to provide investors and the public with a way to understand the operating status and performance.</p> <p><u>AAEON and customer relations:</u> Customer partnership is one of AAEON's core values: In order for customers to accumulate diverse technical support and related product specifications in their vertical industry application market, AAEON presents thousands of internal data on the website, shares relevant technical information to help customers better understand the development of industrial computers. In addition to the Company's annual visits with customers, the Company also arranges dealer seminars, or local exhibitions to understand customers' voices. The Company also conducts</p>	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			<p>annual customer satisfaction surveys on its own in order to understand customers' needs in marketing, product design, logistics management, technical services, maintenance services, etc. The customers may list their recommendations to ensure that their needs are understood and properly handled.</p> <p><u>Supplier relations:</u> When AAEON is handling RoHS, the main principle is "source management". "Source" refers to a group of suppliers of raw materials. All suppliers must submit a test report from a third testing laboratory party and provide documents to AAEON specifying that they do not use harmful materials. In the procurement process, relevant controls must be incorporated to ensure that the purchased parts meet the specifications. In addition, through the green procurement platform, we provide the cooperation process of parts recognition from suppliers. In addition, AAEON self-purchased testing equipment, and regularly conducts screening of hazardous materials. Whether the input of raw materials meets the requirements of the RoHS, in order to manage the green supply chain, the mechanism is integrated with the existing production management system for complete management and control.</p> <p><u>Rights of interested parties:</u> The Company's interested parties can contact the Company directly through the mailbox on the official website at any time.</p>	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			<p><u>Status of continuing education of Directors and Supervisors:</u> The Directors of the Company have participated in the courses related to corporate governance, and they are also informed at any time about the updates of laws and regulations related to corporate governance.</p> <p><u>Risk management policies and risk assessment standards:</u> I. In order to implement corporate governance and improve the risk management system, in August 2020, the Board of Directors approved the establishment of a Risk Management Committee under the Board of Directors, and approved the Risk Management Regulations of AAEON Technology Inc. and the Risk Management Committee Charter of AAEON Technology Inc., with the aim of reducing the potential risks of corporate operations and integrating risk management and response into daily and decision-making operations. II. Risk management policy and scope (I) Policy: In view of various risks, the Risk Management Committee shall formulate management objectives, organizational structure, scope of responsibilities, risk management procedures, and other mechanisms, and implement risk management policies, so as to effectively identify, measure, and control the</p>	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			<p>Company's various risks. It shall also control the risks arising from business activities to an acceptable range to reduce the possibility and consequences of damage, consider the opportunities brought about by risk crises, and ensure the achievement of operational and performance targets and the sustainable operation of the Company.</p> <p>(II) Scope: It shall devise relevant appropriate procedures and implement risk management operating procedures in the aspects, ranging from strategic risk, operational risk, financial risk, information security, intellectual property patents, climate change, risks arising from environmental protection- and climate-related regulations and other international regulatory agreements, public health to all business activities related to the Company's products, production, and service processes (six management dimensions of production, marketing, human resources, research and development, finance, and strategy execution).</p> <p>III. Risk measurement standards According to the principle of materiality, it shall provide appropriate risk management for all stakeholders through enterprise risk management operations, and measure the frequency of risk incidents and the severity of the impact on the</p>	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			<p>Company's operations using a risk matrix, while defining the priority and risk levels of risks and adopting the corresponding risk management strategy according to each risk level.</p> <p>IV. Operations of the Risk Management Committee</p> <p>(I) Members: The Risk Management Committee consists of 3 independent directors (one of which serves as the chair of the committee), 1 Chairman, and 1 President, with a total of 5 members.</p> <p>(II) Meeting attendance rate: 1 meeting was held in January, 2025, totaling 1 time, and attendance rates were 100%.</p> <p>(III) Meeting contents: ISO 27001:2022 Information Security Implementation Audit Report.</p> <p>(IV) Report to the Board of Directors on the operation status of the Risk Management Committee: January 17, 2025.</p> <p><u>Implementation of customer policies:</u> In addition to regularly visiting customers and convening dealer meetings, the Company also conducts annual customer satisfaction surveys to understand the actual needs of customers in marketing, logistics management, and technical services, and the customers may list the recommendations to ensure that customer needs are understood and properly addressed.</p>	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			<u>The purchase of Liability Insurance for Directors and Supervisors:</u> The Company has purchased Liability Insurance for Directors and Supervisors.	
IX. Please describe the improvement performed according to the corporate governance evaluation results published by the Corporate Governance Center of Taiwan Stock Exchange in recent years, and proposes the matters with priority for improvement and the respective measures. (Company that does not participate in the evaluation please leave blank): Self-assessment results of the 10th Corporate Governance Evaluation by the Corporate Governance Center of Taiwan Stock Exchange Corporation Limited indicate that there are expected to be 70 scored items and 10 expected unscored items. Among the expected unscored items, priority improvement areas include: "Is the company's sustainability report verified by a third party?" and "Is the company uploading an English version of the sustainability report on the Taiwan Stock Exchange website and the company's website?"				

[Attachment 1] Individual directors for diversification of Board members

As for the composition of the Board of Directors, an appropriate diversification policy is formulated based on its operations, operation type, and development needs, which shall include but not limited to the following two major standards

- (I) Basic conditions and values: Gender, age, nationality, culture, etc.
- (II) Professional knowledge and skills: Professional background, professional skills, and industry experience, etc.

The members of the Board of Directors are selected base on the Company's operations, operation type and development needs, and all have different expertise in various fields. There are currently 11 directors, including 3 independent directors (1 with less than 3 years in term of office; 2 with 3 years (inclusive) to 9 years in term of office), 8 representatives of institutional directors. They are all of R.O.C. nationality, and 2 of them serve as employees of the Company concurrently. They have extensive experiences and qualifications, all of whom are over 41 years old and have worked in various fields for many years. with stable and outstanding professionals, with diversified professional backgrounds and ability to perform duties.

The company continues its efforts to achieve specific management goals related to board diversity policy. In the selection of board members in 2022, a female director with an accounting and finance background was added to the board.

Diversification Items Name	Profile								Professional Background						Performance Abilities							
	Nationality	Gender	Employee of the Company	Age			Term of independent directors		Law	Accounting	Finance	Industry	Marketing	Technology	Operational judgment	Accounting and financial analysis	Business Management	Crisis Management	Knowledge of Industry	International market view	Leadership	Decision-making
				41 to 60	61 to 70	71 to 75	Under 3 years	3~9 years														
Yung-Shun, Chuang	Republic of China	Male	V			V						V	V	V	V	V	V	V	V	V	V	V
Jonny Shih	Republic of China	Male				V						V	V	V	V	V	V	V	V	V	V	V
Jonathan Tsang	Republic of China	Male				V						V	V	V	V	V	V	V	V	V	V	V
S.Y. Hsu	Republic of China	Male		V								V		V	V	V	V	V	V	V	V	V
Ying-Chen Li	Republic of China	Male	V			V						V	V	V	V	V	V	V	V	V	V	V
Fu-Chun, Chuang	Republic of China	Male		V								V	V	V	V	V	V	V	V	V	V	V
Chiu-Hsu, Lin	Republic of China	Male			V							V	V	V	V	V	V	V	V	V	V	V
Yu-Nan, Chen	Republic of China	Male			V							V	V	V	V	V	V	V	V	V	V	V
Chia-Fu Li (Note 1)	Republic of China	Male		V								V	V	V	V	V	V	V	V	V	V	V
Daho Yen	Republic of China	Male				V		V	V								V				V	V
Kun-Chih, Chen	Republic of China	Male		V				V		V						V						V
Xiulian Lin	Republic of China	Female		V			V		V		V					V	V		V		V	

Explanation: Please put a "V" in corresponding boxes.

Note 1: On September 18, 2024, IBASE Technology Inc. reassigned its corporate representative. Director Chiu-Hsu, Lin was discharged, and Director Chia-Fu, Li was appointed as the new representative

AAEON Technology Inc.

Accountant Independence and Suitability Assessment Form

Year period: 2024

CPA Firm: PricewaterhouseCoopers, Taiwan/ CPA: Shu-Chiung Chang and Lin, Chun-Yao

Basis of Assessment:

Referring to Article 47 of the Accountants Act and Bulletin No. 10 of the Code of Professional Ethics for Accountants in the Republic of China (Taiwan) on "Independence in Auditing and Review", as well as the establishment of Audit Quality Indicators (AQIs)

Audit Quality Indicators Assessment Form

Item	AQIs	Assessment item	Result (Y/N)
Scope 1: Professionalism			
1-1	Audit experience	Does the senior audit personnel possess sufficient audit experience to carry out audit work effectively?	Y
1-2	Training hours	Are accountants and senior audit personnel receiving adequate annual education and training to continuously acquire professional knowledge and skills?	Y
1-3	Turnover Rate	Does the firm maintain sufficient senior human resources?	Y
1-4	Professional support	Does the firm have sufficient professional staff to support the audit team?	Y
Scope 2: Quality control			
2-1	Accountant Workload	Is the workload of the accountant too heavy?	N
2-2	Audit Engagement	Are audit team members appropriately involved in each stage of the audit?	Y
2-3	EQCR review	Is the EQCR accountant devoting sufficient time to perform the review of audit engagements?	Y
2-4	Quality Control Support Capability	Does the firm have sufficient quality control manpower to support the audit team?	Y
Scope 3: Independency			
3-1	Non-audit fee	Understand the impact of the proportion of fees from non-audit services on independence?	Y
3-2	Customer Familiarity	Understand the impact of cumulative years of auditing engagements on the firm's annual financial statements on independence	Y
Scope 4: Communication			
4-1	External Inspection Deficiencies and Penalties	Understand if the firm's quality control and audit engagements are conducted in accordance with relevant laws and standards	Y
4-2	Regulatory Authority's Letter for Improvement	Understand if the firm's quality control and audit engagements are conducted in accordance with relevant laws and standards	Y
Scope 5: Innovation Capability			
5-1	Innovation Planning or Initiatives	Understand the firm's commitment to enhancing audit quality, including the innovation capability and planning of the accounting firm	Y

Accounting Independence Assessment Form:

Item	Assessment item	Result (Y/N)	Independence (Y/N)
1	Does the accountant have any direct or significant indirect financial interests with the company?	N	Y
2	Has the accountant engaged in financing or guarantee activities with the company or its directors?	N	Y
3	Does the accountant have close business relationships or potential employment relationships with the company?	N	Y
4	Have the accountant or members of their audit team held positions as directors, executives, or in other roles significantly affecting audit work during the audit period?	N	Y
5	Has the accountant provided non-audit services to the company that could directly impact audit work?	N	Y
6	Has the accountant acted as an intermediary for the issuance of the company's stocks or other securities?	N	Y
7	Has the accountant acted as a legal representative for the company or coordinated conflicts with third parties?	N	Y
8	Does the accountant have any familial relationships with directors, executives, or individuals in positions significantly affecting audit work within the company?	N	Y

Assessment Result: Based on the evaluation, Accountant Shu-Chiung, Chang and Accountant Chun-Yao, Lin from PricewaterhouseCoopers, Taiwan. both comply with the standards of independence and suitability

Chairman:



Manager:



Accounting Supervisor:



[Attachment 3] 2024 Continuing Education of Directors:

Title	Name	Training date		Organizer	Course name	Training hours	Total Training hours of the year	Notes
		Start	End					
Director	Yung-Shun, Chuang	2024/04/19	2024/04/19	Taiwan Listed Companies Association	Business Strategies in the Digital Era	3	6	
		2024/05/02	2024/05/02	Corporate Governance Association in Taiwan	2030/2025 Net-Zero Emissions — Sustainability Challenges and Opportunities for Global Enterprises	3		
Director	Ying-Chen Li	2024/09/12	2024/09/12	Taipei Exchange	Internal Shareholding Advocacy Seminar for Emerging and OTC-Listed Companies	3	6	
		2024/10/07	2024/10/07	Chinese National Association of Industry and Commerce	2024 Taishin Net-Zero Summit Forum	3		
Director	Fu-Chun, Chuang	2024/05/24	2024/05/24	Taiwan Institute of Directors	Enhancing the International Competitiveness of Taiwanese Enterprises Amid Global Co-opetition	3	6	
		2024/06/19	2024/06/19	Taiwan Institute of Directors	Family Office Series Courses	3		
Director	Jonny Shih	2024/07/17	2024/07/17	Corporate Governance Association in Taiwan	Operational Diversification Strategies Under Geopolitical Risks	3	6	
		2024/08/07	2024/08/07	Corporate Governance Association in Taiwan	New Trends and Ecosystem Co-opetition in the AI Industry	3		
Director	Jonathan Tsang	2024/07/17	2024/07/17	Corporate Governance Association in Taiwan	Operational Diversification Strategies Under Geopolitical Risks	3	6	
		2024/08/07	2024/08/07	Corporate Governance Association in Taiwan	New Trends and Ecosystem Co-opetition in the AI Industry	3		
Director	S.Y. Hsu	2024/07/17	2024/07/17	Corporate Governance Association in Taiwan	Operational Diversification Strategies Under Geopolitical Risks	3	6	
		2024/08/07	2024/08/07	Corporate Governance Association in Taiwan	New Trends and Ecosystem Co-opetition in the AI Industry	3		
Director	Chiu-Hsu, Lin	2024/05/17	2024/05/17	Taiwan Institute of Directors	Cybersecurity Governance and Oversight Strategies for Boards of Directors	3	6	Was discharged On September 18, 2024
		2024/10/07	2024/10/07	Chinese National Association of Industry and Commerce	2024 Taishin Net-Zero Summit Forum	3		
Director	Yu-Nan, Chen	2024/06/21	2024/06/21	Corporate Governance Association in Taiwan	Legal Framework for Sustainability Reporting	3	6	
		2024/10/07	2024/10/07	Chinese National Association of Industry and Commerce	2024 Taishin Net-Zero Summit Forum	3		
Director	Chia-Fu Li	2024/11/18	2024/11/19	Accounting Research and Development Foundation	Core Sustainability Curriculum for Directors and Supervisors of Listed Companies	12	12	Newly Appointed and First-Term Director
Independent Director	Daho Yen	2024/03/01	2024/03/01	Corporate Governance Association in Taiwan	How Audit Committees Should Interpret and Utilize Audit Quality Indicators (AQIs)	3	6	
		2024/06/18	2024/06/18	Corporate Governance Association in Taiwan	Key Insights for Interpreting Financial Statements	3		

Title	Name	Training date		Organizer	Course name	Training hours	Total Training hours of the year	Notes
		Start	End					
Independent Director	Kun-Chih, Chen	2024/07/26	2024/07/26	Corporate Governance Association in Taiwan	Building Corporate IP Risk Prevention and Control Based on TIPS	3	6	
		2024/09/26	2024/09/26	Independent Director Association Taiwan	2024 Independent Director Elite Academy	3		
Independent Director	Xiulian Lin	2024/07/03	2024/07/03	Taiwan Stock Exchange	2024 Cathay Sustainable Finance and Climate Change Summit Forum	6	6	

Note: According to the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TP Listed Companies”, the continuing education of new and re-elected Directors of the Company in 2023 all meets the hours requirement and according to relevant measures, the number of Directors' training hours are disclosed in annual reports, public information observatory and company website.

[Attachment 4] Status of continuing education of Chief Corporate Governance Officer

Title	Name	Training date		Organizer	Course name	Training hours	Training hours for the year
		Start	End				
Governance Manager	Ming-Han Hsieh	2024/12/12	2024/12/12	Accounting Research and Development Foundation	Directors, Supervisors, and Corporate Governance Officers Series — Shareholders' Meetings, Management Rights, and Equity Strategies	3	12
		2024/12/10	2024/12/10	Accounting Research and Development Foundation	Directors, Supervisors, and Corporate Governance Officers Series — Advanced Topics in Corporate Governance: ESG	3	
		2024/12/06	2024/12/06	Accounting Research and Development Foundation	Directors, Supervisors, and Corporate Governance Officers Series — Insider Trading Practical Cases and Related Legal Liabilities	3	
		2024/12/05	2024/12/05	Accounting Research and Development Foundation	Directors, Supervisors, and Corporate Governance Officers Series — Human Resources and Employee Placement Issues in Corporate Mergers and Acquisitions	3	

(IV) Status the operation of the Compensation Committee

Identity Name		Criteria	Professional Qualification and Experience	Independence Criteria (Note)	Number of other public companies in which the individual is concurrently serving as a Compensation Committee of these companies.
Independent Director (Chairperson)	Kun-Chih, Chen		Graduated from the University of Southern California with a Ph.D. in Accounting, and is currently an associate professor of the Accounting Department of National Taiwan University. He is the convener of the Compensation Committee and a member of the Company's Audit Committee. He has more than five years of business, legal, financial, accounting or corporate business-related materials. Work experience required for lecturers in colleges and universities.	Meet the independence requirements	1
Independent Director	Daho Yen		Graduated from the University of South America with a Master of Laws degree, is a member of the company's audit committee and compensation committee, and has more than five years of professional occupations such as judges, prosecutors, lawyers, accountants or other national examinations required by the company's business to obtain certificates and the work experience required by the technician.	Meet the independence requirements	3
Independent Director	Xiulian Lin		Graduated from Drexel University with a master's degree; is the head of the CHAMPiON group (accounting firm and appraisal firm) and the head of the Chengxin Land Administration Agency; is the convener of the Company's Auditing Committee and a member of the Company's Compensation Committee; has five years or more of experience working as a lecturer (or above) in commerce, law, finance, accounting, or any disciplines relevant to the Company's business at a public or private tertiary institution.	Meet the independence requirements	3

Note : the member met the following conditions during the time of active duty and two years prior to the elected date.

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the company or any of its affiliates. The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under another's name, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranks as one of its top ten shareholders.
- (4) Not a manager of (1), or spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of (2) or (3).
- (5) Not a director, supervisor, or employee of institutional shareholder that directly holds 5% or more of the total number of issued shares of the Company, or ranks as of its top five shareholders, or was appointed pursuant to Article 27 Paragraph 1 or 2 of the Company Act. (The same does

not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)

- (6) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)
- (7) Not the same person as the Company's Chairperson, President or person with equivalent position, or the director, supervisor or employee of company or institution of the spouse thereof. (The same does not apply, however, in cases where the person is an independent director of the company, its parent company, or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)
- (8) Not a director, supervisor, or employee of a corporate/institutional shareholder that directly holds five percent or more of the total number of issued shares of the company or ranks as of its top five shareholders. (The same does not apply, however, in cases where the corporate/institution holds 20% or more and no more than 50% of the total number of issued shares of the Company, or the person is an independent director of the company, its parent company, or any subsidiary, as appointed in accordance with the laws of Taiwan or with the laws of the country of the parent company or subsidiary.)
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides commercial, legal, financial, accounting services or consultation to the Company or to any affiliate of the Company in the most recent 2 years with an accumulated service compensation of less than NT\$ 500 thousand, or a spouse thereof. This restriction does not apply to any member of the Compensation Committee, public tender offers Audit Committee or mergers and acquisition special committee, who exercises powers pursuant to relative regulations of the Securities and Exchange Act and Business Mergers And Acquisitions Act.
- (10) Does not meet any descriptions stated in Article 30 of The Company Act.

2. Information on the operation of the Compensation Committee

(1) The Compensation Committee consists of 3 committee members.

(2) Term of office of current committee members:

4th Committee: May. 27, 2022 to May. 26, 2025. There was 4 Compensation Committee meeting in the most recent fiscal year (2024). The attendance is as follows:

Title	Name	Actual attendance (B)	By Proxy	Attendance Rate (B/A)	Remarks
Members	Daho, Yen	4	0	100 %	
Members	Kun-Chih, Chen	4	0	100 %	
Members	Xiulian, Lin	4	0	100 %	
<p>Other remarks:</p> <p>1. The Board may not accept the recommendations of the Compensation Committee, or revise the recommendations, specify the date of the Board meeting, the term, the content of the motion, the resolution of the Board, and the response of the Board towards the opinions of the Compensation Committee (e.g., the remuneration package passed by the Board is superior to the recommendation of the Compensation Committee, specify the difference and the reasons): None.</p> <p>2. Where members of the Compensation Committee may have adverse opinions or qualified opinions in their resolutions on record or in written declaration, specify the date and session of the committee, the content of the motion, the opinions of all other members, and the responses to the adverse opinions: None.</p>					

(3) Discussion Matters and Resolutions of Compensation Committee Meetings

Compensation Committee	Details of the relevant agendas and the subsequent	Resolution	Company's response to Compensation Committee's opinions
4 th times of the 5 th term Jan. 8, 2024	<ol style="list-style-type: none"> Submission of Proposed Allocation for Employee Compensation and Director Remuneration for 2023 (Estimated Figures). Submission of Proposed Distribution of Year-End Bonuses for Management for 2023. 	Approved by all committee members	Submitted to the Board and was approved by all Board members.
4 th times of the 6 th term Feb. 29, 2024	<ol style="list-style-type: none"> Submission of Actual Allocation for Employee Compensation and Director Remuneration for 2023. Submission of Incentive Bonus Scheme for Non-Sales Non-SBU for 2024. Submission of Proposed Salary Adjustments for Management for 2024. 	Approved by all committee members	Submitted to the Board and was approved by all Board members.
4 th times of the 7 th term Apr. 19, 2024	<ol style="list-style-type: none"> Proposal for the Issuance of Employee Stock Options at a Price Below Market Value for the Year 2024. 	Approved by all committee members	Submitted to the Board and was approved by all Board members.
4 th times of the 8 th term Aug. 6, 2024	<ol style="list-style-type: none"> Submission of Proposed Distribution of Director Remuneration for 2022. Submission of Proposed Distribution of Employee Compensation for Management for 2022. Proposal for the retroactive payment of the accumulated remaining amount from the previous year's employee compensation and year-end bonus allocation. 	Approved by all committee members	Submitted to the Board and was approved by all Board members.

(V) Status the operation of the risk management committee

1. In order to implement corporate governance and improve the risk management system, the board of directors approved the establishment of a risk management committee under the board of directors in August 2019, and approved "Risk-Management Measures" and "Risk Management Committee Organization Regulation" The purpose is to reduce the potential risks of the company's operations, and integrate risk management and handling into daily operations and decision-making operations.
2. Policy
As per the Risk Management Regulations of AAEON approved by the Board of Directors: In view of various risks, the Risk Management Committee shall formulate management objectives, organizational structure, scope of responsibilities, risk management procedures, and other mechanisms, and implement risk management policies, so as to effectively identify, measure, and control the Company's various risks. It shall also control the risks arising from business activities to an acceptable range to reduce the possibility and consequences of damage, consider the opportunities brought about by risk crises, and ensure the achievement of operational and performance targets and the sustainable operation of the Company.
3. Strategy
Implement environmental, social, and governance (ESG) risk management assessment on a regular basis, conduct appropriate risk management for all stakeholders, and measure the frequency of risk incidents and the severity of the impact on the Company's operations using a risk matrix, while defining the priority and levels of risks as per the principle of materiality and adopting the corresponding risk management strategy according to each risk level.
4. Scope
As for the scope of risk management: It shall devise relevant appropriate procedures and implement risk management operating procedures in the aspects, ranging from strategic risk, operational risk, financial risk, information security, intellectual property patents, climate change, risks arising from environmental protection- and climate-related regulations and other international regulatory agreements, public health to all business activities related to the Company's products, production, and service processes (six management dimensions of production, marketing, human resources, research and development, finance, and strategy execution).
5. Authority and member of risk management committee
 - (1) Authority
According to the 4 terms of "Risk Management Committee Organization Regulation", the authorities of risk management committee as follows,
 - Manage the overall risk management of the company, and propose revisions to risk management policies, structures, and organizational functions based on qualitative and quantitative reference materials.
 - Report to the board of directors on a regular basis, and timely reflect the implementation of risk management to the board of directors, and make necessary improvement suggestions.
 - Execute the risk management decisions of the board of directors, and regularly review the development, establishment and execution effectiveness of the company's overall risk management mechanism.
 - Set risk appetite, tolerance and targets, and review and manage overall company risk.
 - Assist and supervise the company's risk management activities.
 - Adjust the risk category, risk limit allocation and assumption method according to changes in the environment.
 - (2) Members
There are currently 5 members, including 3 independent directors, 1 chairman and 1 president as follows,

Identity		Criteria
Name		Professional Qualification and Experience
Independent Director (Chairperson)	Daho Yen	Law.
Independent Director	Kun-Chih, Chen	Accounting
Independent Director	Xiulian Lin	Accounting
Chairman	Yung-Shun Chuang	Business risk management
President	Chien-Hung, Lin	Business risk management

Note: The term of office of the members of the Risk Management Committee is the same as that of the appointed Board.

6. Organization structure, basis and description of risk management

Organization	Basis	Description
Board of Directors	Article 19-2 of the Articles of the company	<ol style="list-style-type: none"> 1. The Company may set up functional committees under the Board of Directors. The organization and power of such committees should be subject to the regulations prescribed by the competent authority. 2. The Risk Management Committee shall report its operation to the Board of Directors at least once a year.
Risk Management Committee	"Risk-Management Measures" and "Risk Management Committee Organization Regulation"	<ol style="list-style-type: none"> 1. They are evaluated quarterly. 2. Topics, such as information security, intellectual property patents, climate change, regulations on environmental protection or climate and risks from other international regulations and agreements, public health, or new forms of irregular risks, will be arranged after approved by committee members. 3. The operation of the risk management team is reviewed at least once a year.
Risk Management team	QR2-002 Risk Management Operation Standard	<ol style="list-style-type: none"> 1. The content of the risk assessment items is reviewed from June to July every year. 2. The content of the risk assessment items includes strategic risk, operational risk, and financial risk, as well as business operations related to the Company's products, production, and service processes (six management dimensions: production, marketing, human resources, research and development, finance, and strategy execution).

7. Information on the operations of the Risk Management Committee

There was 1 Risk Management Committee meeting in the most recent fiscal year (2024). The attendance is as follow

(1) Attendance

Title	Name	Number of meetings (A)	Attendance (B)	Percentage of attendance (%) [B/A]
Independent Director (Chairperson)	Daho, Yen	1	1	100 %
Independent Director	Kun-Chih, Chen	1	1	100 %
Independent Director	Xiulian, Lin	1	1	100 %
Chairman	Yung-Shun, Chuang	1	1	100 %
President	Chien-Hung, Lin	1	1	100 %

(2) Date and content of meeting

Date	Content	Resolution Result:
Jan. 17, 2025	ISO 27001:2022 Information Security Implementation Audit Report	Approved

(3) Date of the latest report to the Board of Directors on the business implemented by the Risk Management Committee: Jan. 17, 2025.

(VI) Status the operation of the sustainable development committee

1. Purpose of Establishment and Authority

To deepen the Company's culture of sustainable governance and achieve its sustainable development goals, while proactively addressing the challenges of climate change and continuously advancing sustainability initiatives, the Company established the Sustainable Development Committee upon approval by the Board of Directors on August 6, 2024, in accordance with the "Taiwan Stock Exchange Announcements."

The Committee's authorities and responsibilities are as follows:

- (1) Formulate, promote, and strengthen the Company's sustainability policies, annual plans, and strategies.
- (2) Review, monitor, and revise the implementation status and effectiveness of sustainability initiatives.
- (3) Supervise the disclosure of sustainability-related information and review the Company's sustainability report.
- (4) Supervise the implementation of tasks related to the Company's Sustainable Development Best Practice Principles or other sustainability-related matters as resolved by the Board of Directors.

2. The Company's Sustainable Development Committee consists of 3 members.

1st Committee: Aug. 6, 2024 to May. 26, 2025. There was 1 (A) Sustainable Development Committee meeting in the most recent fiscal year (2024). The attendance is as follows:

Title	Name	Actual attendance (B)	By Proxy	Attendance Rate (B/A)
Chairman	Yung-Shun, Chuang	1	0	100 %
President	Chien-Hung, Lin	1	0	100 %
Chairperson	Chi-Hung, Liao	1	0	100 %

3. Date and content of meeting

Date	Content
Nov. 1, 2024	<p>Report Items:</p> <ol style="list-style-type: none"> 1. Sustainable Development Strategy Goals and Plans 2. Implementation and Reporting of Sustainability Initiatives <p>Discussion Items:</p> <ol style="list-style-type: none"> 1. Setting the Company's Greenhouse Gas Reduction Targets 2. Establishing 2025 Annual Sustainability Goals by the Sustainability Promotion Team

(VII) Implementation of the promotion of sustainable development and the differences and reasons for the code of practice for sustainable development of listed OTC companies

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
I. Does the company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and the board of directors supervises the situation?	V		<p>In accordance with Article 9 of the Sustainable Development Best Practice Principles of AAEON Technology Inc., the Company has established an ESG Office, a sustainable development unit, under the Chairman’s Office to improve the management of sustainable business development. The ESG Office has established a sustainable development promotion organization to be committed to corporate governance, sustainable environment, happy workplace, shared prosperity with society, and a sustainable value chain, to meet AAEON’s commitment to business administration stakeholders, environmental protection, and social charity, thereby fulfilling our responsibilities as a corporate social citizen.</p> <p>The sustainability policy of AAEON Technology Inc. is as follows: "Emphasizing Corporate Governance", "Practicing Corporate Commitments", "Expanding Social Engagement", and "Promoting Environmental Protection". It also references the United Nations' 17 Sustainable Development Goals (SDGs) and carries out various initiatives through the Sustainability (ESG) Office. The Sustainability (ESG) Office is established in accordance with sustainability practices and reports annually to the board of directors on the progress of relevant initiatives.</p> <p>Board Oversight of Sustainable Development Initiatives:</p>	No significant difference

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
			<p>The Board of Directors has authorized the senior management team to oversee and drive sustainability efforts. The members of the Sustainable Development Committee include the Chairman, Yong-Shun, Chuang, President, Chien-Hung, Lin, and Vice President of Quality Assurance and Customer Service (Chairperson of Sustainable Development Committee), Chi-Hung, Liao. They collectively oversee the promotion of sustainability initiatives.</p> <p>The Committee meets at least once a year to report to the Board of Directors. In 2024, there were five instances of reporting to the Board on the progress of sustainability initiatives, held on January 8, February 29, April 19, May 9, and August 6. The topics covered in the reports included:</p> <p>(1) Sustainability Issues of Concern and the proposed plans and actions to address them.</p> <p>(2) Revisions to Goals and Policies related to sustainability issues.</p> <p>(3) Supervision of the Implementation of sustainable business practices and the evaluation of their effectiveness.</p>	
II. Does the Company conduct risk assessments of environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		<p>I. In August 2020, the Board of Directors approved the establishment of a Risk Management Committee under the Board of Directors, and approved the “Risk Management Regulations of AAEON Technology Inc.” and the “Risk Management Committee Charter of AAEON Technology Inc.”</p> <p>II. Risk management scope</p>	No significant difference

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
			<p>In accordance with Article 4 of the “Risk Management Regulations of AAEON Technology Inc.” regarding the risk management scope, the committee shall devise relevant appropriate procedures and implement risk management operating procedures in the aspects, ranging from “strategic risk,” “operational risk,” “financial risk,” “information security,” “intellectual property patents,” “climate change,” risks arising from environmental protection- and climate-related regulations and other international regulatory agreements, public health to all business activities related to the Company's products, production, and service processes (six management dimensions of production, marketing, human resources, research and development, finance, and strategy execution).</p> <p>III. Risk management policy In view of various risks, the Risk Management Committee shall formulate management objectives, organizational structure, scope of responsibilities, risk management procedures, and other mechanisms, and implement risk management policies, so as to effectively identify, measure, and control the Company’s various risks. It shall also control the risks arising from business activities to an acceptable range to reduce the possibility and consequences of damage, consider the opportunities brought about by risk crises, and ensure the achievement of operational and performance targets and the sustainable operation of the Company.</p>	

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
			IV. According to the principle of materiality, it shall be responsible for environmental, social, and corporate governance issues related to the Company’s operations, and measure the frequency of risk incidents and the severity of the impact on the Company’s operations using a risk matrix, while defining the priority and risk levels of risks and adopting the corresponding risk management strategy according to each risk level. The daily operation is carried out by the risk management team according to the risk management operating standards.	
III. Environmental issues (I) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	V		(I) The Company establishes a safe working environment in accordance with the Occupational Safety and Health Act. The Company regularly inspects the water quality and carbon dioxide concentration of the water in the water dispenser in accordance with the law, and publicly discloses the relevant test results in the Company's bulletin board. Regular inspection of the water quality of the water dispenser: Two samples are taken every quarter (in January, April, July and October of each year), and the results are placed on the wall of each water dispenser. Regular detection of carbon dioxide concentration: The carbon dioxide concentration is measured semi-annually (in March and September every year), and the inspection results are publicly disclosed in the Company's announcement column.	No significant difference

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
(II) Is the Company committed to enhance the utilization efficiency of resources and use renewable materials that are with low impact on the environmental?	V		<p>(II) The Company sorts, recycles and reuses resources. The use of hazardous substances is prohibited in product manufacturing, and the design and development are in compliance with regulations of RoHS, REACH, WEEE of EU.</p> <p><u>Waste and Resource Recycling Management</u> AAEON’s waste generated internally reached a total of 28.270 metric tons during 2024, of which waste plastics accounted for 59.0%, occupying the largest portion, including plastic trays, tubes, empty cans; and packaging materials from incoming materials (IC tubes, trays, reels and plastic panels), Mixed Plastic Waste, occupying the second largest portion, which accounted for 31.3%, and scrap edges ranked third at 6.5%; 100% of the waste was recycled and reused.</p> <p><u>Industrial Waste Management</u> The Company’s industrial waste manufacturers are selected in accordance with the Environmental Protection Administration's regulations. They are selected among the list provided by the website of Industrial Waste Report and Management System, Environmental Protection Administration, Executive Yuan. The factories' information is obtained from the "Permit Inquiry". Our partner manufacturers have provided Waste Treatment Permit issued by the Environmental Protection Administration, or Recycling Permit issued by the Ministry of Economy Affairs, indicating their code of waste types permitted is aligned with the Company’s waste.</p>	No significant difference

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
(III) Does the Company assess the potential risks and possibilities of climate changes to the Company now and in the future, and take measures to respond to climate-related issues?	V		<p>The industrial waste and liquid waste generated by AAEON during the production and operation process are all handled by qualified factories, and relevant information is regularly uploaded to government websites in accordance with laws and regulations.</p> <p><u>Proceeds from Recoverables</u></p> <p>In 2024, a total of 1.511 metric tons of tin slag were processed, resulting in the production of 636 kgs of lead-free tin bars. Additionally, the recycling of other business waste yielded a total of NT\$21,132 in revenue.</p> <p>(III) The board of directors serves as the highest climate governance unit, setting climate policies, strategies, and goals, and integrating climate risks and opportunities into consideration, overseeing risk management and disclosure. The board regularly discusses climate issues, reviews risk assessment results, and holds periodic educational training sessions to enhance awareness of climate risks. To strengthen sustainable governance, relevant units are convened by the chairman to periodically review climate-related issues and implementation progress, reporting to the board. The sustainability/environmental team conducts assessments under climate change financial disclosure projects to identify potential risks, opportunities, and financial impacts, and develops corresponding risk management strategies.</p>	No significant difference
(IV) Does the Company record the greenhouse gas emissions, water	V		(IV) Greenhouse gas emissions:	No significant difference

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
consumption and total weight of waste produced in the past two years, and formulate policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption or other waste management?			<ol style="list-style-type: none"> 1. In 2024, external consultants were engaged to assist with the greenhouse gas (GHG) inventory process, using 2021 as the baseline year. The GHG inventory for the years 2021–2023 identified C1: Purchased Products and Services and C11: GHG Emissions from the Use of Sold Products as the categories with the highest emissions. 2. The future carbon reduction plan will focus on the categories with the highest emissions. Detailed plans will be made based on the findings from the GHG inventory, and internal operations and information systems will be adjusted accordingly to streamline the inventory process, facilitate data aggregation and management, and achieve short-, medium-, and long-term carbon reduction targets 3. Setting Global Group-Wide Carbon Reduction Targets <ol style="list-style-type: none"> (1) Short-Term Target (2024): Obtain verification from the GHG Protocol. (2) Medium-Term Target (2030): Reduce carbon emissions from Scope 1 and Scope 2 by 50% (using 2021 as the baseline). For Scope 3 emissions from purchased goods and services and the use of sold products, reduce emissions by 30% (using 2021 as the baseline). (3) Long-Term Target (2050): Achieve net-zero emissions 4. Greenhouse Gas Inventory: 	

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons																		
	Yes	No	Abstract Illustration																			
			<p>The inventory boundary for 2024 includes Scope 1, Scope 2, and Scope 3 emissions data from the Taiwan headquarters, which was verified by a third party in June 2024.</p> <p>Data for 2024 emissions is not yet complete, and verification is scheduled to be completed by June 2025.</p> <p>(Unit: ton CO2e)</p> <table><tr><th>Year</th><th>Scope1</th><th>Scope2</th><th>Scope3</th><th>total</th><th>Carbon intensity (Note) (ton CO2e / Million in Revenue)</th></tr><tr><td>2023</td><td>135.93</td><td>1,391.19</td><td>74,520.76</td><td>76,047.88</td><td>16.30</td></tr><tr><td>2024</td><td>148.13</td><td>1,315.40</td><td>57,941.63</td><td>59,405.16</td><td>15.16</td></tr></table> <p>(Note: Carbon Intensity= Greenhouse Gas Emissions/Revenue (in millions) Revenue for 2023 in parant company is 4,664.543 million. Revenue for 2024 in parant company is 3,918.896 million.</p> <p><u>Water Usage:</u></p> <p>Water consumption throughout 2023 = 9,571 m³ = 9,571 metric tons, Water consumption throughout 2024 = 10,009 m³ = 10,009 metric tons, an decrease of 4.67%. The annual target of a 1% reduction was not achieved. However, the company continues to implement water-saving initiatives, such as posting water conservation slogans and conducting water-saving courses. In addition, water-saving management measures are being planned</p>	Year	Scope1	Scope2	Scope3	total	Carbon intensity (Note) (ton CO2e / Million in Revenue)	2023	135.93	1,391.19	74,520.76	76,047.88	16.30	2024	148.13	1,315.40	57,941.63	59,405.16	15.16	
Year	Scope1	Scope2	Scope3	total	Carbon intensity (Note) (ton CO2e / Million in Revenue)																	
2023	135.93	1,391.19	74,520.76	76,047.88	16.30																	
2024	148.13	1,315.40	57,941.63	59,405.16	15.16																	

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons												
	Yes	No	Abstract Illustration													
			<p>in conjunction with the ongoing handwashing practices required for epidemic prevention.</p> <p><u>Total waste amount:</u> It was a total of 32.715 metric tons for 2023 and 28.270 metric tons for 2024. The total waste weight reduction. (Unit: metric tons)</p> <table><tr><td>Year</td><td>2024</td><td>2023</td></tr><tr><td>Hazardous Industrial Waste</td><td>0.26</td><td>0.14</td></tr><tr><td>General Business Waste</td><td>28.010</td><td>32.575</td></tr><tr><td>Total</td><td>28.270</td><td>32.715</td></tr></table>	Year	2024	2023	Hazardous Industrial Waste	0.26	0.14	General Business Waste	28.010	32.575	Total	28.270	32.715	
Year	2024	2023														
Hazardous Industrial Waste	0.26	0.14														
General Business Waste	28.010	32.575														
Total	28.270	32.715														
IV. Social Issues (I) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?	V		<p>(I) The Company complies with relevant labor regulations, protects the legitimate rights and interests of employees, and manages employees in a bilateral communication manner. The Company's official website contains the content of the human rights declaration, which reads as follows: AAEON does not discriminate against employees based on race, gender, age, party, religion, and disability. The Company’s hiring policy not only in compliance with local minimum age regulations, local laws, EICC and other relevant regulations, but also in accordance with the United Nations Universal Declaration of Human Rights to</p>	No significant difference												

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
			<p>disclose human rights policy declarations. AAEON’s human rights policy declaration is as follows:</p> <ul style="list-style-type: none"> ● No child labor: comply with local minimum age laws and regulations, no child labor. ● Above minimum wage: Provide employees with the wages and benefits that meet or exceed the requirements of local laws and regulations. ● Working hours: Meet or better than local laws and regulations, provide employees with paid vacation, do not force employees to work more than the maximum daily working hours stipulated by local laws and regulations, and comply with the requirements of overtime wages or necessary compensation. ● Non-discrimination: Discrimination based on race, color, age, gender, sexual orientation, religion, disability, work membership or political orientation is prohibited. Everyone has the right to equal protection without discrimination. ● No inhumane treatment: Harassment, physical abuse or threats are prohibited. ● Free choice of occupation: Coercion, guarantee (including debt repayment) or deed to force domestic or foreign workers to work is prohibited. Do not hire involuntary prison workers, servitude or human trafficking, and ensure that all employees work voluntarily. Provide a labor 	

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
(II) Does the Company formulate and implement reasonable employee benefits measures (including remuneration, vacation and other benefits, etc.), and appropriately reflect the results of operating	V		<p>contract written in the employee's mother tongue. Unless required by law, the employee's identity document (ID, passport, work permit or residence permit) must not be withheld.</p> <ul style="list-style-type: none"> ● Health and safety: Provide a healthy and safe working environment for all employees with mutual trust and respect. ● Freedom of assembly: According to the law, all employees have the right to freedom of assembly and association and to participation in local legal unions. The employer must not interfere or prohibit it. <p>The above items are also implemented in the Company's various management activities, including work rules and recruitment and appointment regulations, In particular, the work rules also specify the regulations on avoidance of a hostile work environment, anti-discrimination, respect for employees, equal employment opportunity, no child labor, sexual harassment prevention, and labor-management meetings (Articles 15, 16, 17, 20, 80, 81, 82, 83, 84 of the work rules). In addition, the Company has listed sexual harassment prevention as a training topic in the education and training courses for new employees.</p> <p>(II) Implementation status of various employee welfare measures (including salary, vacation and other benefits)</p> <p><u>Employee Compensation</u></p> <p>The company provides annual bonuses, as well as bonuses during Dragon Boat Festival, Mid-Autumn Festival, and salary adjustment based on</p>	No significant difference

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
performance in employee compensation?			<p>operational performance. According to our company's regulations, after deducting accumulated losses from the year's profit (i.e., pre-tax profit before deducting employee compensation and director remuneration expenses), any surplus should be allocated with no less than 5% for employee compensation and no more than 1% for director remuneration. This is our way of appropriately rewarding our employees for contributing to the company's operational success.</p> <p><u>Workplace Diversity and Equality</u></p> <p>The company ensures equal pay for equal work regardless of gender and provides equal opportunities for promotion without discrimination. We value a diverse and inclusive company culture.</p> <ol style="list-style-type: none"> 1. Female Management Ratio: Our company's female management ratio is 19.8%. 2. Disability Employment Target: We have achieved a 100% target for employing individuals with disabilities. 3. Benefit Policies: All relevant welfare policies are implemented without discrimination based on sexual orientation or gender. <p><u>Employee welfare measures and implementation:</u></p> <p>The Company has established an Employee Welfare Committee and implements various welfare measures. The key welfare measures currently in place include recreational activities, employee travel, emergency relief,</p>	

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
			<p>annual festival bonuses, marriage, funeral, and celebration allowances, as well as maternity benefits. Additionally, there are employee group insurance, social club activities, and profit-sharing programs among other welfare initiatives.</p> <p><u>Leave Policies and Implementation</u></p> <p>Our company operates in accordance with the Labor Standards Act and related regulations, providing a leave system that complies with legal requirements. Currently, the leave system is functioning well. Additionally, we offer regulations and systems that exceed legal requirements.</p> <ol style="list-style-type: none"> 1. We pay the full salary to female employees who have been employed for fewer than six months and apply for maternity leave of five days, one week or four weeks. 2. We added birthday leave and provide one day of paid leave to employees on their birthdays. 3. We adjusted female menstrual leave and provided the maximum of 42 days of half-pay leave throughout the year. 4. We added a new childbirth transportation subsidy with a monthly upper limit of NT\$3,000. 5. We increased the childbirth cash gift to NT\$20,000 per child. <p><u>Retirement system and its implementation:</u></p>	

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	V		<p>The Company f has formulated employee retirement regulations in accordance with the Labor Standards Act and operates under the "Labor Retirement Pension Regulations," adopting a defined contribution plan. Retirement benefits are deducted by our company at a rate of 6% of monthly wages, stored in individual retirement accounts.</p> <p>According to our company's regulations, a certain percentage of the annual profit is allocated for employee compensation, ensuring that operational performance outcomes are appropriately reflected in employee compensation.</p> <p>(III) The Company's work environment shaped for employees' safety and health is as follows</p> <ol style="list-style-type: none"> 1. Regularly provide safety and health education and training As per Articles 16 and 17 of the Occupational Safety and Health Education and Training Rules. (1) Provide new employees and operators who replaced old ones with general safety and health education for 3 hours. (2) Provide on-the-job personnel with safety and health education and training for 3 hours every 3 years. (3) Provide various safety and health education and training (first aiders; 3 hours every 3 years). 	No significant difference

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
			<p>(4) Provide various safety and health education and training (class-1 managers of occupational safety and health affairs and supervisors in charge of organic solvent operations; six hours every two years.).</p> <p>(5) Provide various safety and health education and training (occupational safety and health administrators, Class-1 occupational safety management specialist;12 hours every two years).</p> <p>(6) Provide various safety and health education and training (occupational health nurses; 12 hours every three years).</p> <p>2. Regularly carry out firefighting drills Strengthen the disaster prevention education in the plants, improve personnel's awareness of disaster prevention, prevent disasters from occurring, and carry out fire training on a regular basis. As per Article 13 of the Fire Services Act and Article 15 of the Enforcement Rules of Fire Services Act, Such a drill is carried out every six months.</p> <p>3. Regularly monitor work environment Prevent occupational accidents, protect workers' health, prevent injuries caused by chemical hazards, provide workers</p>	

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
			<p>with a healthy and comfortable work environment, and regularly monitor the work environment. Perform tests of organic solvents and CO² in the work environment every six months.</p> <p>4. Voluntary safety and health inspections to protect workers’ personal safety</p> <p>(1) Regularly inspect firefighting equipment and regularly inspect all firefighting facilities every year.</p> <p>(2) Check and record each protective equipment for the on-site machinery and equipment, such as safety face shields and emergency button switch.</p> <p>5. Formulated the Safety and Health Work Rules formulated as per the Occupational Safety and Health Act and the Enforcement Rules of the Occupational Safety and Health Act and announced the safety and health management regulations for employees to follow.</p> <p>6. Regularly hold health checkups and implement health management and health promotion</p> <p>(1) Hold annual health checkups for in-service employees.</p>	

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
			<p>(2) Implement health management and health promotion and layered management as per Article 15 of the Labor Health Protection Rules, implementation of hierarchical management to protect labor health.</p> <p>(3) The Company employs or contracts with physicians specializing in occupational health services and hires nursing staff to provide on-site health services.</p> <p>(4) Employs full-time occupational health personnel and arranges for a contracted factory physician to visit the premises once a month to provide on-site health consultation services.</p> <p>Additional information is as follows: The Company's work content does not pose a special health hazard. Regular work-up health inspections for on-the-job workers are carried out, and work safety education and training are implemented. The Company also occasionally organizes activities such as employee travel to help employees develop physical and mental health. For the safety of the work environment of employees, the Occupational Safety Office convenes occupational safety committee meetings on a quarterly basis. Representatives of employees and management are invited to submit proposals for improving the safe</p>	

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
			<p>and healthy working environment. For physical health, the Company arranged for an employee health examination per year to safeguard their health and for doctors to provide on-site services at the Company every month. The pandemic has caused a great deal of inconvenience during 2022. To maintain employees’ health, we allowed employees to apply for work from home under the precondition that they could take care of their families and the Company could operate normally, thereby achieving a win-win situation. AAEON cares about employees’ health. In addition to offering health courses from time to time, we have a number of sports clubs in place (boxing, aerobics, Tai Chi, table tennis, badminton, basketball and yoga) and motivate employees to participate in activities often. Therefore, the Company was certified with Taiwan i Sports by the Sports Administration, Ministry of Education, in 2022. In terms of psychological health, we work with the Teacher Chang Foundation, together with our employee assistance program, and regularly provide our employees with the foundation’s column monthly, while psychologists provide employees with one-on-one consulting services at the Company.</p> <p>7. In 2024, various health promotion activities were conducted, including health check-ups, on-site medical services, health lectures, EAP (Employee Assistance Program) assistance, etc., with a total of 818 participations.</p>	

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
(IV) Does the Company have an effective career capacity development training program established for the employees?	V		<p>8. In 2024, the Labor Safety Office conducted annual occupational safety education and training throughout the year (e.g., fire evacuation drills, first aid training, etc.), totaling 1,274 sessions involving 3,658 hours.</p> <p>9. The company did not experience any fire incidents, and there were no casualties or injuries reported, resulting in a 0% casualty rate compared to the total number of employees.</p> <p>(IV) The Company provides relevant internal and external professional education and training to enrich employees' career skills. The Company also encourages employees to evaluate their interests, skills, values and goals and communicate personal career intentions with their managers for future career plans. The Company organized internal and external education and training in 2024 with 7,218 participants and a total of 12,778.5 person-hours.</p>	No significant difference
(V) Does the Company comply with relevant laws and regulations and international standards for customer health and safety, customer privacy, marketing and labeling of products and services, and develop relevant	V		<p>(V) The Company strives to achieve the goal of "customer satisfaction" and attaches great importance to protecting customer privacy. Customers can utilize the communication channels to handle customer complaints and provide customers with complete product information. The Company's products comply with relevant regulations and international standards.</p>	No significant difference

Evaluation Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Abstract Illustration	
<p>consumer protection policies and complaint procedures?</p> <p>(VI) Does the Company formulate a supplier management policy that requires suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and their implementation?</p>	V		<p>(VI) The Company has established guidelines for suppliers to adhere to sustainability-related standards, thereby enhancing corporate social responsibility. For long-term key partners who cooperate multiple times annually, the implementation of their quality and environmental management systems requires not only the signing of the "Quality and Environmental Concept Promotion Letter" but also further efforts to improve communication on quality, environmental protection measures, ethical behavior standards, and corporate social responsibility. Important partners are required to complete the "Quality and Environmental Management System and Code of Conduct Survey," which inquires about topics such as "Quality Management System," "Labor," "Health and Safety," "Ethical Conduct," "Corporate Social Responsibility," and "Integrity Trading Declaration." The survey emphasizes the commitment to honest business practices, including anti-bribery, anti-corruption, and conflict of interest avoidance, ensuring that good business ethics are upheld throughout all stages of business transactions.</p> <p>New qualified suppliers must sign the "Quality and Environmental Management System and Code of Conduct</p>	No significant difference

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
			<p>Survey" as well as the "AAEON Supplier Code of Conduct" to ensure that suppliers adhere to relevant standards in areas such as environmental protection, occupational health and safety, and labor rights.</p> <p>The Company engaged in environmental protection activities with clients and suppliers.</p> <p>The issues of global warming and climate change are becoming increasingly severe, and both governments and businesses have set the goal of achieving net-zero carbon emissions by 2050. AAEON is actively engaged in and continuously implementing various carbon reduction efforts</p> <ol style="list-style-type: none"> 1. In energy conservation and carbon reduction initiatives, AAEON, in collaboration with its affiliated company, ONYX, has donated to the Luodong Forest Bureau for tree planting and afforestation. As of 2024, the cumulative donation amount is NT\$965,200. The Chairman personally led volunteer colleagues to experience the tree planting activity. During the event, it was emphasized that trees not only contribute to soil and water conservation but also play a crucial role in achieving carbon neutrality, thereby enhancing carbon reduction efforts. From 2020 to 2024, AAEON has adopted 4.84 hectares of forest, planting a total of 7,260 	

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
			<p>saplings, which will reduce 276,480 kilograms of carbon emissions (calculated using a cyclical method).</p> <p>2. In addition to tree planting, AAEON has annually adopted the Daanli Beach in Tamsui as a cleanup and maintenance area. Together with customers and suppliers, environmental protection activities are organized. In 2024, AAEON invited ONYX, Litemax JETWAY, Everfocus, to jointly organize a beach cleanup event. As of 2024, a total of 922 volunteers participated, collecting 1,841.6 kilograms of trash.</p> <p>Every year, Chairman Yong-shun, Chuang leads colleagues and their families to participate in the beach cleanup, demonstrating a commitment to caring for the Earth and supporting environmental protection efforts. Through experiences such as tree planting and beach cleaning, employees and their families gain a deeper understanding of the importance of protecting and cherishing the planet.</p>	
V. Does the Company prepare its non-financial reports such as Corporate Social Responsibility Report in accordance to the internationally-used reporting standards or guidelines?	V		The sustainability report is primarily based on the 2021 version of the Global Reporting Initiative (GRI) Standards as the main framework. It also complies with the requirements for listed companies' preparation and submission of sustainability reports, as well as referencing the United Nations Sustainable Development Goals (SDGs), the Task Force on Climate-related Financial Disclosures (TCFD), and the Sustainability	No significant difference

Evaluation Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Abstract Illustration	
Have such reports been assured, verified or certified by a third party?	V		Accounting Standards Board (SASB) standards. An appendix is included in this report, providing a GRI (2021) standards comparison table and disclosures on climate-related information for listed companies, for the reference of stakeholders. The data disclosed in AAEON’s sustainability report has been verified by a third-party assurance provider, GREAT Certificaton according to the AA 1000 Assurance Standard V3. The verification was conducted at a moderate assurance level to confirm compliance with the GRI (2021) Standards, and an assurance statement has been obtained. (The assurance statement can be found in the 2023 Sustainability Report.)	No significant difference
VI. If the company has its own sustainability guidelines based on the "Practical Guidelines for Sustainable Development of Listed and OTC Companies," please describe how its operations differ from these guidelines: The company has currently established its own Social Responsibility Practices Guidelines, which do not differ significantly from the "Practical Guidelines for Sustainable Development of Listed and OTC Companies."				
VII. Other important information contributing to understanding the implementation of sustainable development: The company has been actively complying with relevant legal requirements.				

(VIII) Climate-related Information

Item	Implementation status
1. Describe the supervision and governance by the board of directors and management regarding climate-related risks and opportunities.	<p>The board of directors serves as the supreme climate governance body, responsible for approving climate-related policies, strategies, and goals, integrating climate-related risks and opportunities into considerations, and overseeing climate-related risk management and disclosure. In addition to incorporating these issues into corporate operational strategies, the board also supervises the implementation and effectiveness of various management mechanisms to ensure the company's steady operation. This includes regular discussions on climate-related issues, continuous review of risk assessment outcomes, and periodic educational training to enhance overall staff awareness of climate-related risk management.</p> <p>To strengthen sustainability governance, chaired by the chairman, a sustainability development unit along with sustainability environment and supply chain teams regularly review climate-related issues and their implementation, reporting back to the board. The 'Sustainability Environment Team' conducts a comprehensive review of potential climate change risks, opportunities, and financial impacts within the company's operations, based on climate change-related financial disclosure projects. Information is disclosed across four major categories: governance, policy, risk management, and indicators and goals, identifying risk and opportunity issues and formulating risk management strategies as actions to address climate change.</p>
2. Describe how the identified climate risks and opportunities impact the business, strategy, and finances of the company (short-term, medium-term, long-term).	<p>The physical risks primarily stem from extreme weather events such as typhoons and floods, which pose threats to employee safety, cause work disruptions, and result in financial losses while also damaging the company's reputation. Over the long term, the greenhouse gas effect will raise global temperatures, heightening climate-related risks across global operations and increasing operational costs associated with risk management.</p> <p>Transition risks arise from regulatory compliance, leading to increased operational costs, and from shifts in customer demand towards low-carbon products, potentially decreasing demand for non-green products.</p> <p>Climate change presents opportunities, such as developing low-energy products and technologies to meet customer demands, adopting renewable energy and low-carbon materials, and enhancing carbon reduction awareness throughout the supply chain.</p> <p>In response to the above risks and opportunities, the company will implement the</p>

Item	Implementation status
	<p>following measures:</p> <p>Physical Risks:</p> <ul style="list-style-type: none"> ● Develop emergency response plans. ● Enhance employee education and training. ● Implement environmentally friendly activities to raise awareness of carbon reduction. <p>Transition Risks:</p> <ul style="list-style-type: none"> ● Adhere to TCFD guidelines. ● Regularly track performance execution. ● Promote ISO14064-1/GHG greenhouse gas inventory. ● Evaluate the feasibility of purchasing renewable energy. ● Introduce circular economy thinking and develop low-carbon products.
<p>3. Describe the financial impacts of extreme weather events and transition actions.</p>	<p>(1) Extreme weather is classified into immediate risks and long-term risks. Immediate risks include typhoons, heavy rainfall, extreme cold, and heat events, which pose threats to employee safety leading to occupational accidents, subsequently affecting work progress, causing financial losses to the company, and damaging corporate image. Long-term risks involve the continuous global temperature rise, which will increase the probability of floods, wildfires, and heatwaves, thereby necessitating increased risk management operational costs for the company.</p> <p>(2) Transition actions include compliance with international climate-related policies and regulations, adoption of renewable energy technologies, and adjustment to market demands for low-carbon products. These actions will increase the company's investment in operational costs to reduce sensitivity to extreme weather events, while also developing new business opportunities and competitive advantages.</p>
<p>4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.</p>	<p>To understand the impacts of climate change, we conduct an annual inventory of risks and opportunities arising from climate change based on the nature of our business. We identify and assess climate risks and opportunities according to the climate risk and opportunity categories, impact pathways, timing and geographic scope of impacts, position in the value chain, and financial implications as recommended by TCFD (Task Force on Climate-related Financial Disclosures).</p> <p>We use the TCFD framework to identify climate risks and opportunities based on their likelihood, frequency, and potential impacts on the company. We evaluate the risk and</p>

Item	Implementation status
	opportunity values and prioritize the "physical risks," "transition risks," and "climate change opportunities" that require urgent attention.
5. When conducting scenario analysis to assess resilience to climate change risks, it is necessary to specify the scenario, parameters, assumptions, analysis factors, and key financial impacts used in the analysis.	The Company has not yet employed scenario analysis for assessing risks.
6. If there is a transformation plan in place to address climate-related risks, please describe the contents of that plan, including the indicators and objectives used for identifying and managing physical risks and transition risks.	The company adheres to environmental regulations and relevant international standards to appropriately protect the natural environment and is committed to achieving environmental sustainability goals. In the process of conducting operational activities, we assess and enhance resource efficiency and strive to avoid water, air, and land pollution. We make every effort to minimize adverse impacts on human health and the environment, estimate greenhouse gas emissions, and implement measures using the best available pollution prevention and control technologies. We utilize recycled materials with low environmental impact to ensure the sustainable use of Earth's resources.
7. If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.	This company has not yet used internal carbon pricing as a planning tool.
8. If climate-related targets are established, details should be provided on the covered activities, scope of greenhouse gas emissions, planning timeline, progress achieved annually, and if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these targets, information should be disclosed on the source and quantity of carbon offsets for emissions reduction or the quantity of Renewable Energy Certificates (RECs) used.	<p>Here are the short-term, mid-term, and long-term goals:</p> <p>Short-term (Immediate) By 2024, complete greenhouse gas inventory and third-party verification within the group, implement energy-saving action plans and paper reduction measures, enhance employee awareness of energy conservation, carbon reduction, and environmental protection.</p> <p>Mid-term (Medium) By 2030, achieve a 50% reduction in Scope 1 and Scope 2 carbon emissions compared to the baseline year. Set a scientific-based reduction target of 30% for Scope 3 emissions related to purchased goods and services and emissions from sold products.</p> <p>Long-term (Extended): By 2150, achieve a Science-Based Target (SBT) net-zero commitment and maintain global warming below 1.5°C as a long-term vision.</p>
9. Greenhouse gas inventory and verification status with reduction targets, strategies, and specific action plans.	According to the timeline and schedule outlined in the sustainability roadmap for listed companies, our company's capital falls under the "third phase" for individual company assessments. It is required to complete the Scope 1 and Scope 2 inventory for individual entities by the year 2026.

1-1 The greenhouse gas (GHG) inventory and assurance status for the past two years.

1-1-1 Data of the greenhouse gas (GHG) inventory

Provide the greenhouse gas (GHG) emissions (in metric tons of CO₂e), intensity (in metric tons of CO₂e per million USD), and the data coverage for the past two years.

The company initiated external consultant assistance for greenhouse gas (GHG) inventory guidance in 2023, using 2021 as the baseline year for the inventory. As of the publication date of this report, the inventory results are as follows:

GHG Emissions Inventory (Note)	2022		2023		2024	
	ton CO ₂ e	(%)	ton CO ₂ e	(%)	ton CO ₂ e	(%)
Scope 1: Direct GHG Emissions	131.2779	0.11%	135.9340	0.18%	148.1309	0.25%
Scope 2: Energy Indirect GHG Emissions	1,401.6956	1.17%	1,391.1907	1.83%	1,315.4000	2.21%
Scope 3: Other Indirect GHG Emissions (Upstream and Downstream Value Chain)	118,612.0854	98.72%	74,520.7570	97.99%	57,941.6256	97.54%
Total	120,145.0589	100%	76,047.8817	100%	59,405.1565	100%

Item	Units	2022	2023	2024
Total Greenhouse Gas Emissions	ton CO ₂ e	120,145.0589	76,047.8817	59,405.1565
Revenue	In million (individual revenue)	5,941	4,665	3,918
Greenhouse Gas Emissions Intensity	ton CO ₂ e / Million in Revenue	20.22304	16.30180	15.16211

(Note) The greenhouse gas inventory results for the years 2022 and 2023 were verified by a third-party auditor in May 2024. As of the publication date of this report, the results for 2024 have not yet been verified °

1-1-2 Greenhouse Gas (GHG) Assurance Information

Describe the assurance status for the most recent two years as of the publication date, including the assurance scope, assurance provider, assurance standards, and assurance opinion.

The greenhouse gas (GHG) inventory data for the most recent year (2024) is still being collected and has not yet been verified; the assurance status for 2022 to 2023 is as follows:

1. Assurance Scope: AAEON TECHNOLOGY INC. (Headquarter), AAEON TECHNOLOGY (SUZHOU) INC, AAEON ELECTRONICS, INC. (USA), AAEON TECHNOLOGY (EUROPE) B.V., AAEON TECHNOLOGY GMBH, AAEON TECHNOLOGY SINGAPORE PTE. LTD.

2. Assurance Security: AFNOR Asia Ltd.
3. Assurance principle: Greenhouse Gas Protocol
4. Assurance opinion: Unqualified Opinion

1-2 Greenhouse Gas (GHG) Emission Reduction Goals, Strategies, and Specific Action Plans

Description of the Baseline Year and Data, Reduction Targets, Strategies, Specific Action Plans, and Achievement Status for Greenhouse Gas (GHG) Reduction

In accordance with the schedule outlined in the "Sustainability Development Roadmap for TWSE/TPEX Listed Companies," the Company's capital size is classified under "Phase 3," requiring only the completion of Scope 1 and Scope 2 GHG inventories at the entity level by 2026. However, the Company proactively initiated the GHG inventory process in 2023 and aligned with the carbon reduction targets and roadmap of its parent company, ASUS Group. **Short-term:** Complete group-wide GHG inventory and third-party assurance by 2024; implement energy-saving action plans and paper reduction measures; enhance employees' awareness of energy conservation, carbon reduction, and environmental protection.; **Mid-term:** Achieve a 50% reduction in Scope 1 and Scope 2 GHG emissions compared to the baseline year by 2030; achieve a 30% reduction in Scope 3 emissions related to purchased goods and services and use of sold products, in line with science-based targets (SBTs). ; **Long-term:** Achieve net-zero emissions and meet the SBT 1.5°C pathway by 2050.

(IX) Proper enforcement of business integrity

Items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/ GTSM-Listed Companies and the reasons
	Yes	No	Summary description	
I. Business Integrity Policy and action plans				
(I) Are the Company's guidelines on corporate conduct and ethics provided in internal policies and disclosed publicly? Have the Board of Directors and the management team demonstrated their commitments to implement the policies?	V		(I) The Company has formulated the “Code of Business Conduct”, “Procedures for Ethical Management and Guidelines for Conduct” and “Code of Ethical Conduct”, and request all Directors and Managers to act as role models and abide by the codes to established an honest and trustworthy company.	No discrepancy in general
(II) Has the Company established an evaluation mechanism for the risk of dishonesty behaviors? Does the Company regularly analyze and evaluate business activities with a higher risk of dishonesty in the business scope, and formulate a plan to prevent dishonesty behaviors, which at least covers Paragraph 2 of Article 7 in Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		(II) Besides the “Code of Business Conduct” and “Procedures for Ethical Management and Guidelines for Conduct”, relevant rewards and punishments are set out in the Company's “Employee Handbook” to prevent employee dishonesty.	No discrepancy in general
(III) Has the Company established relevant policies for preventing any unethical conduct? Are the implementation and reviews of the relevant procedures, guidelines and training mechanism provided in the policies?	V		(III) Before establishing a business relationship, the Company evaluates the legality and integrity of the transaction records, avoids dealings with companies of flawed honesty. The Company follows relevant laws and regulations. Each donation and sponsorship is submitted to the authorized level for approval to be processed.	No discrepancy in general

Items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/ GTSM-Listed Companies and the reasons
	Yes	No	Summary description	
II. Proper enforcement of business integrity				
(I) Does the company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?	V		(I) The Company conducts transactions and procurements in accordance with relevant laws and regulations, and reviews the supplier's performance to avoid transactions with those who have records of dishonesty.	No discrepancy in general
(II) Has the Company set up dedicated unit in charge of promotion and execution of the company's corporate conduct and ethics, and report to the Board about any operation policies. and plans and supervision on honesty and integrity and prevention of dishonesty on a regular basis (at least once a year)?	V		(II) The Company's Chairman Office is responsible for the promotion of the integrity management unit and reports to the Board regularly (at least once a year). However, in accordance with the principle of sustainable business, the selection of manager shall be based on integrity. If the principle of integrity management is violated, there will be punishment and such matter will be reported to the Board. 1. In January 17, 2025, the implementation status of relevant measures, risk management, and additional audit staff in the month of education and training implementation, are reviewed. Reports regarding the above matters are prepared and reported to the Board. The complaint mailbox for the general personnel: Aaeon.direct@aaeon.com.tw. Matters will be handled by the Chief Internal Auditor.	No discrepancy in general

Items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/ GTSM-Listed Companies and the reasons
	Yes	No	Summary description	
			<p>The complaint mailbox for the senior management and Directors: Aaeon.AC@aaeon.com.tw. Matters will be handled by Chairman of the Audit Committee. As of Dec 31, 2024, both the Chief Internal Auditor and the Chairperson of the Auditing Committee replied “No complaints have been received in the complaint mailbox.”</p> <p>2. In accordance with the requirements of ISO 9001: 2015 and the risk management operating standard (QR2-002), each unit shall review and assess risks at least once a year to ensure the appropriateness of risk assessment. In early July, the Company sent a notice confirming amendments or addition of new assessment items. In view of the globalization and internationalization of the pandemic, the impact is far-reaching. In the face of the threat of various infectious diseases at home and abroad (such as COVID-19), each unit will assess whether such factors need to be included in the risk assessment items of this assessment. The risk assessment work coordination unit will complete</p>	

Items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/ GTSM-Listed Companies and the reasons
	Yes	No	Summary description	
(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?	V		the annual risk management assessment results within the planned period. 3. We implement self-assessment of the internal control system on a regular basis every year, evaluate the operation of various ethical management measures, and issue a statement on the internal control system based on the assessment results and report to the Board of Directors. (III) In order to prevent conflicts of interest, administrative reporting channels can be used to proactively explain whether they have potential conflicts of interest with the Company.	No discrepancy in general
(IV) Has the Company established effective accounting and internal control systems for the implementation of policies, prepared audit plans according to the evaluation result of dishonesty risks, and audit such execution and compliance, or hire external auditors to audit such execution and compliance?	V		(IV) The Company's Internal Audit Office carries out its audit work in accordance with the implementation procedures of internal control and auditing system formulated by the FSC, and assigns auditors to conduct auditing operations in accordance with the annual audit plan.	No discrepancy in general
(V) Has the Company organized corporate management internal and external education and training programs on a regular basis?	V		(V) The company conducts online or in-person courses to promote the concept of integrity in business to employees. In the fiscal year 2024, the company organized internal and external education and training related to integrity in business issues,	No discrepancy in general

Items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/ GTSM-Listed Companies and the reasons
	Yes	No	Summary description	
			including ethical guidelines, integrity operating principles, procedures and guidelines for integrity operations, and courses on preventing insider trading. A total of 1,066 participants attended these courses, totaling 1,066 hours.	
III. The operations of the Company's Report System				
(I) Does the Company have a specific report and reward system stipulated, a convenient report channel established and a responsible staff designated to handle the individual being reported?	V		(I) If issued be found involved in dishonesty, employees can directly report such fraudulent or improper behavior to their senior supervisors. The Company also keeps the identity of the informer and the content of the report confidential to prevent retaliation. The Company has a normal administrative procedure for disciplinary and appeal system and will pose disciplinary punishment on the offenders.	No discrepancy in general
(II) Has the Company established standard operating procedures for investigations on reports, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms?	V		(II) The Company's "Code of Business Conduct" and "Procedures for Ethical Management and Guidelines for Conduct" have established standard operating procedures for investigations on reports, follow-up measures to be taken after the investigation is completed, and related confidentiality mechanisms.	No discrepancy in general
(III) Has the Company taken proper measures to protect the whistle-blowers from suffering any consequence of reporting an incident?	V		(III) The Company's "Code of Business Conduct" and "Procedures for Ethical Management and Guidelines for Conduct" have stipulated that the	No discrepancy in general

Items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/ GTSM-Listed Companies and the reasons
	Yes	No	Summary description	
			Company shall be held responsible for confidentiality of the informer and shall not have any improper punishment.	
IV. Enhanced information disclosure Does the Company have the contents of corporate management and its implementation disclosed on the website and MOPS?	V		The Company has set up a Corporate Governance section on the Company's website and disclosed the established "Code of Business Conduct" in public information.	No discrepancy in general
V. If the Company has established corporate social responsibility principles based on "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the principles and their implementation: The Company has formulated the "Code of Business Conduct" and "Procedures for Ethical Management and Guidelines for Conduct" and has implemented accordingly.				
VI. Other vital information that helps to understand the practice of business integrity of the Company (e.g., the review and revision of the best-practice principles of the Company in business integrity): In order to build a sound corporate culture of integrity management and the sound development of the Company for sound business operations, the Company has formulated the "Code of Business Conduct" and "Procedures for Ethical Management and Guidelines for Conduct", the implementation of which is disclosed in the annual report.				

(X) Disclosure to the Company's Corporate Governance Principles: The regulations formulated by the Company, such as "Code of Ethical Conduct", "Code of Business Conduct", "Procedures for Ethical Management and Guidelines for Conduct", "Rules for Board Meetings", "Corporate Social Responsibility Best Practice Principles", "Rules and Procedures for Board Meetings", "Rules and Procedures of Shareholders' Meetings", "Procedure for the Election of Directors", "Charter of Audit Committee", "Charter of Compensation Committee", "Code of Corporate Governance Practice", "Self-Evaluation or Peer Assessment of the Board of Directors and Functional Committees", "Corporate Governance Best Practice Principles", "Regulations Governing the Self-Evaluation by the Board of Directors or Peer Evaluation" are disclosed on MOPS and the Company's website.

(XI) Other information that facilitates the understanding in the Company's corporate governance should be also disclosed: None.

(XII) Execution status of internal control system that should be disclosed:

1. Statement of Internal Control: Please refer to the announcement path on the Market Observation Post System (MOPS) under the Internal Control Section.

<https://mops.twse.com.tw/mops/#/web/t06sg20>

2. Report issued by CPA engaged to conduct a special audit of internal control system: None.

(XIII) For the most recent fiscal year or during the current fiscal year up to the printing date of the annual report, disclose any sanctions imposed in accordance with the law upon the company or its internal personnel, any sanctions imposed by the company upon its internal personnel for violations of internal control system provisions, principal deficiencies, and the state of any efforts to make improvements: None.

(XIV) Resolutions of the Board of Directors' Meeting and the General Shareholders' Meeting:

1. Shareholders' Meeting:

Type of Meetings	Major Motions	Execution
May 29, 2024 General Meeting of shareholders	1. Adoption of the 2023 Business Report and Financial Statements.	The motion was voted upon and passed, and was the basis for the 2023 surplus distribution.
	2. The distribution of 2023 retained earnings	This motion was passed according to the vote. The Chairman set the ex-dividend date to be September 3, 2024, and the cash dividend payment date to be September 27, 2024.
	3. Issuance of new shares from capitalization of the company's capital reserve	The motion was passed according to the vote, and was executed in accordance to the resolution at the Shareholders' Meeting.
	4. The amendments to the Articles of Incorporation	The motion was passed according to the vote, and was executed in accordance to the resolution at the Shareholders' Meeting.
	5. The company plans to issue the first employee stock option plan for 2024 at below market price.	The motion was passed according to the vote, and was executed in accordance to the resolution at the Shareholders' Meeting.

2. Board of Directors:

Type of Meetings	Convening date	Important Resolution Items
Board of Directors	2024.01.08	<ol style="list-style-type: none"> 1. Proposal for Amendment of Regulations on Reporting Director and Executive Compensation, and Adjustment of Monthly Compensation for Independent Directors. 2. Proposal for Distribution of Year-end Bonuses for 2023. 3. Proposal for Allocation of Employee Compensation and Director Remuneration for 2023 (Estimated).
Board of Directors	2024.02.29	<ol style="list-style-type: none"> 1. Case of Internal Control Effectiveness and Declaration of Internal Control System for 2023 2. 2023 business report and financial statements 3. The distribution of 2023 retained earnings 4. Proposal to Distribute Stock Dividends at NT\$0.5 per

Type of Meetings	Convening date	Important Resolution Items
		<p>Share from Capital Surplus.</p> <ol style="list-style-type: none"> 5. Convening of the 2024 Annual General Meeting 6. 2024 business plan and budget 7. Amendment to the” Ethical Corporate Management Best Practice Principles” 8. Amendment to the” Procedures for Ethical Management and Guidelines for Conduct” 9. Amendment to the” Code of Ethical Conduct and English Version”. 10. Accountant Independence Assessment Case 11. Fees for Auditor's Certification for 2023 and 2024. 12. In the 4th quarter of 2023, the case of converting employee stock option certificates into new shares was executed. 13. Donation of NT\$2.5 million to AAEON EDUCATION FOUNDATION. 14. Proposal for 2024 Non-Sales Non-SBU Incentive Bonus Scheme 15. Submission of the Proposal for Salary Adjustment for Managers in 2024
Board of Directors	2024.04.19	<ol style="list-style-type: none"> 1. Proposal for Issuance of New Shares through Capitalization of Capital Surplus (Including Additional Explanations and Item Number Adjustments) 2. The amendments to the partial of Articles of Incorporation 3. Proposal to Convene the 2024 Annual General Meeting of Shareholders (Additional Agenda Item) 4. Proposed Issuance of the First Employee Stock Option Plan of 2024 with an Exercise Price Below Market Value
Board of Directors	2024.05.09	<ol style="list-style-type: none"> 1. Proposal to Set the Record Date for the First Quarter of 2024 for the Exercise of Employee Stock Options 2. Case of Applying for Comprehensive Credit Facility and Derivative Financial Instruments Trading Limit (Renewal) 3. Proposal to Amend the Company's "Rules of Procedure for Board of Directors Meetings" 4. Proposal to Amend the Company's "Audit Committee Charter" 5. 2024Q1 Financial report
Board of Directors	2024.08.06	<ol style="list-style-type: none"> 1. In the 2nd quarter of 2024, the case of converting employee stock option certificates into new shares was executed. 2. 2024Q2 Financial report 3. Proposal to Establish the Company's "Sustainable Development Committee," Amend the "Sustainability Organizational Chart," and Formulate the "Sustainable Development Committee Charter" 4. Proposal to Set the Record Date for the Capital Increase

Type of Meetings	Convening date	Important Resolution Items
		through Capital Reserve and Issuance of New Shares in 2024 5. Proposal for the Distribution of Director Remuneration for 2023 6. Proposal for the Distribution of Managerial Employee Compensation for 2023 7. Proposal for the Supplemental Distribution of the Accumulated Remaining Amount from the Previous Year's Employee Compensation and Year-End Bonuses
Board of Directors	2024.11.07	1. Revision of Internal Control and Internal Audit System for 2024 2. Internal Audit Plan for 2025 3. Proposal to Establish the Company's "Procedures for the Preparation and Verification of the Sustainability Report" 4. In the 3rd quarter of 2024, the case of converting employee stock option certificates into new shares was executed. 5. 2024Q3 Financial report
Board of Directors	2025.01.17	1. Proposal for Allocation of Employee Compensation and Director Remuneration for 2024 (Estimated). 2. Proposal for Distribution of Year-end Bonuses for 2024.
Board of Directors	2025.02.27	1. Case of Internal Control Effectiveness and Declaration of Internal Control System for 2024 2. 2024 business report and financial statements 3. The distribution of 2024 retained earnings 4. The amendments to the partial of Articles of Incorporation 5. Convening of the 2025 Annual General Meeting 6. 2025 business plan and budget 7. Accountant Independence Assessment Case 8. In the 4th quarter of 2024, the case of converting employee stock option certificates into new shares was executed. 9. Donation of NT\$2.5 million to AAEON EDUCATION FOUNDATION. 10. Proposal for 2025 Non-Sales Non-SBU Incentive Bonus Scheme 11. Submission of the Proposal for Salary Adjustment for Managers in 2025

(XV) If the directors or supervisors have different opinions on the resolutions reached by the Board of Directors with a record or written statement made in the most recent year and up to the printing date of the annual report, please state the content of the opinion: None.

(XVI) A summary of resignations and dismissals of the Company's chairperson, president, accounting manager, financial manager, chief internal auditor, chief corporate governance officer or research and development officer during the most recent fiscal year and up to the printing date of the Annual Report: None.

4. Disclosure of CPAs' remuneration

Unit: NTD Thousand

Auditor's firm	Name of CPA	Audit period	Audit Fee	Non-audit Fee	Total	Remarks
Pricewaterhouse Coopers, Taiwan	Shu-Chiung, Chang Chun-Yao, Lin	Jan. 1, 2024 – Dec. 31, 2024	3,194	668	3,862	Note

Note: The company's non-audit fees (other) include tax certification fees of 300 thousand, business tax filing for concurrent operations of 54 thousand, inventory destruction supervision of 44 thousand, CFC (Controlled Foreign Corporation) report of 140 thousand, Review Report on the Capital Increase from Capital Reserve: \$80 thousand and review of salary information for full-time employees not in managerial positions of 50 thousand.

- (I) If non-audit fees paid to the CPA, to the accounting firm of the CPA, and/or to any affiliated enterprise of such CPA firm are one quarter or more of the audit fees paid thereto: None
- (II) If the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more: None.
5. Details of the Change in CPA: None.
6. Company Chairperson, President, or Any Managerial Officer in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the Company's CPA Accounting Firm or at an Affiliated Enterprise of Such Accounting Firm: None
7. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (During the Most Recent Fiscal Year or During the Current Fiscal Year up to the printing date of the Annual Report) by a Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10 Percent
- (I) Share changes by directors, supervisors, managers, and major shareholders

Unit: shares

Title	Name	2024		As of Mar. 31, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Director	Jui Hai Investment Co., Ltd.	224,647	-	-	-
Institutional Directors, President or Shareholders Holding Greater Than a 10 Percent Stake in the Company	Yung-Shun, Chuang	978,399	-	-	-
Legal representative and CSO	Ying-Chen Li	49,755	-	-	-
Directors and Shareholders Holding Greater Than a 10 Percent Stake in the Company	ASUSTeK Computer Inc.	2,177,118	-	-	-
Legal representative	Jonny Shih	-	-	-	-
Legal representative	Jonathan Tsang	-	-	-	-
Legal representative	S.Y. Hsu	-	-	-	-
Legal representative	Fu-Chun, Chuang	-	-	-	-
Independent Director	Daho Yen	-	-	-	-
Independent Director	Kun-Chih, Chen	-	-	-	-

Title	Name	2024		As of Mar. 31,2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Independent Director	Xiulian Lin	-	-	-	-
President	Chien-Hung, Lin	170,399	-	-	-
Vice President	Chi-Hung, Liao	199	-	-	-
Vice President	Kuo-Chiang, Wang	22,985	-	-	-
Vice President	Yu-Yu, Chu	(40,110)	-	-	-
Senior Assistant V.P.	Shu-Chen, Li	99	-	-	-
Assistant V.P.	Jen-Chieh, Huang	-	-	-	-
Assistant V.P.	Li-Kai, Lai (Note 1)	(23,000)	-	-	-
Senior Assistant V.P.	Shao-Chou, Hsueh	3,035	-	-	-
Assistant V.P.	Wen-Ming, Ni	68,179	-	-	-
Manager	Wan-Hui, Chiu	12,597	-	-	-
Senior Assistant V.P.	Yun-Chen, Tu	18,279	-	-	-
Manager	Jen-Chung Wang	20,492	-	-	-
Manager	Ming-Han, Hsieh	-	-	-	-
Assistant V.P.	Chris Chuang	1,094	-	-	-
Assistant V.P.	Hank Peng	(309)	-	-	-
Assistant V.P.	Jansin Li	1,000	-	-	-

Note 1: Assistant V.P. Li-Kai, Lai was on unpaid leave from Dec. 2019.

(II) The counterparty of equity transfer is a related party: None.

(III) The counterparty of equity pledge is a related party: None.

8. Relationship information, if among the company's ten largest shareholders any one is a related party or a relative within the second degree of kinship of another.

March 31, 2025; Unit: shares

Name	Shares Held In Own Name		Shareholdings of spouse and underage children		Shares Held In The Names Of Others		Among the top 10 shareholders, there are related parties, spouse to each other, and kindred within the 2nd tier under the Civil Code, and the name and affiliation, if applicable.		Remarks
	Shares	Percentage	Shares	Percentage	Shares	Percentage	Name	Relation	
ASUSTeK Computer Inc.	45,933,118	27.11	—	—	—	—	HUA-MIN INVESTMENT CO.,LTD. HUA-CHENG VENTURE CAPITAL CORP.	Parent company and subsidiary Parent company and subsidiary	—
Representative: Jonny Shih	-	-	—	—	—	—	-	-	—
IBASE Technology Inc.	43,773,212	25.83	—	—	—	—	-	-	—
Yung-Shun, Chuang	20,642,399	12.18	—	—	—	—	Jui Hai Investment Co.,Ltd.	Spouse of the company's responsible person	—
HUA-CHENG VENTURE CAPITAL CORP.	8,774,909	5.18	—	—	—	—	ASUSTeK Computer Inc. HUA-MIN INVESTMENT CO.,LTD.	Parent company and subsidiary Affiliate	—
Representative: Jonny Shih	-	-	—	—	—	—	-	-	—
HUA-MIN INVESTMENT CO.,LTD.	8,774,909	5.18	—	—	—	—	ASUSTeK Computer Inc. HUA-CHENG VENTURE CAPITAL CORP.	Parent company and subsidiary Affiliate	—
Representative: Jonny Shih	-	-	—	—	—	—	-	-	—
Chiang- Jan Investment Co., Ltd.	5,306,172	3.13	—	—	—	—	Chiang- Yu Investment Co., Ltd.	Spouse of the company's responsible person	—
Representative: Yeh-Ling, Li,	711,288	0.42	—	—	—	—			—
Jui Hai Investment Co.,Ltd	4,739,647	2.80	—	—	—	—	Yung-Shun, Chuang	Spouse of the company's responsible person	—
Representative: Hui-Mei, Huang	-	-	—	—	—	—			—
Yu-Ming, Huang	4,200,849	2.48	—	—	—	—	-	-	—
Chiang- Yu Investment Co., Ltd.	1,785,364	1.05	—	—	—	—	Chiang- Jan Investment Co., Ltd.	Spouse of the company's responsible person	—

Name	Shares Held In Own Name		Shareholdings of spouse and underage children		Shares Held In The Names Of Others		Among the top 10 shareholders, there are related parties, spouse to each other, and kindred within the 2nd tier under the Civil Code, and the name and affiliation, if applicable.		Remarks
	Shares	Percentage	Shares	Percentage	Shares	Percentage	Name	Relation	
Representative: Kuan-Chung, Yang	80,161	0.05	—	—	—	—	—	—	—
Taishin International Commercial Bank entrusted with the Kuan-Chung, Yang Trust Account	1,607,000	0.95	—	—	—	—	—	—	—

9. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors and Supervisors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Company

March 31, 2025; Unit: Thousand shares; %

Invested businesses	Invested by The Company		Held by directors, supervisors, managers, and directly or indirectly controlled enterprises		Aggregate investment	
	Quantity	Shareholdings percentage	Quantity	Shareholdings percentage	Quantity	Shareholdings percentage
AAEON Electronics, Inc.	490,000	100.00	—	—	490,000	100.00
AAEON Technology Co., Ltd.	8,807,097	100.00	—	—	8,807,097	100.00
AAEON Technology (Europe) B.V.	—	100.00	—	—	—	100.00
AAEON INVESTMENT, CO., LTD.	15,000,000	100.00	—	—	15,000,000	100.00
ONYX HEALTHCARE INC.	18,694,156	47.92	6,719,252	17.22	25,413,408	65.14
LITEMAX ELECTRONICS INC. (Note)	5,015,050	11.85	3,934,871	9.32	8,958,921	21.17
IBASE Technology Inc. (Note)	52,921,856	26.57	3,666,907	1.84	56,588,763	28.41
AAEON Technology Singapore Pte. Ltd.	465,840	100.00	—	—	465,840	100.00
JETWAY INFORMATION CO., LTD.	19,845,958	35.29	64,000	0.11	19,909,958	35.40
AAEON TECHNOLOGY (SUZHOU) INC.	—	—	—	100.00	—	100.00
AAEON Technology GmbH	—	—	—	100.00	—	100.00
ONYX Healthcare USA, Inc.	—	—	200,000	100.00	200,000	100.00
ONYX Healthcare Europe B.V.	—	—	100,000	100.00	100,000	100.00
ONYX HEALTHCARE (SHANGHAI) LTD.	—	—	—	100.00	—	100.00

Invested businesses	Invested by The Company		Held by directors, supervisors, managers, and directly or indirectly controlled enterprises		Aggregate investment	
	Quantity	Shareholdings percentage	Quantity	Shareholdings percentage	Quantity	Shareholdings percentage
IHELPER INC.	—	—	1,716,000	47.67	1,716,000	47.67
Winmate Tex Inc. (Note)	—	—	19,996,700	25.08	19,996,700	25.08
ProtectLife International Biomedical INC. (Note)	—	—	2,324,000	11.08	2,324,000	11.08
JET WAY COMPUTER CORP.	—	—	380	100.00	380	100.00
JET WAY COMPUTER B.V.	—	—	40	100.00	40	100.00
JET WAY (FAR EAST) INFORMATION COMPANY LIMITED	—	—	3,084,634	100.00	3,084,634	100.00
TOP NOVEL ENTERPRISE CORP.	—	—	17,700,500	100.00	17,700,500	100.00
SCORETIME INVESTMENT LIMITED	—	—	3,034,634	100.00	3,034,634	100.00
CANDID INTERNATIONAL CORP.	—	—	17,050,000	100.00	17,050,000	100.00
FUJIAN CANDID INTERNATIONAL CO., LTD	—	—	—	100.00	—	100.00

Note: Long-term investment under equity method

III. Funding Status

1. Capital and shares

(I) Source of capital

1. Issued shares

Unit: thousand shares; NT\$ thousand

Month/ Year	Par Value (NT\$)	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital Increased by Assets Other than Cash	Others
2022.04	10	200,000	2,000,000	148,618	1,486,185	Conversion of stock option into 120 thousand shares	None	Note 1
2022.06	10	200,000	2,000,000	148,655	1,486,555	Conversion of stock option into 37 thousand shares	None	Note 2
2022.08	10	200,000	2,000,000	148,737	1,487,375	Conversion of stock option into 82 thousand shares	None	Note 3
2022.11	10	200,000	2,000,000	149,082	1,490,825	Conversion of stock option into 345 thousand shares	None	Note 4
2023.03	10	200,000	2,000,000	149,225	1,492,255	Conversion of stock option into 143 thousand shares	None	Note 5
2023.05	10	200,000	2,000,000	159,748	1,597,488	Application for the issuance of 10,523 thousand new shares in exchange for shares of JETWAY INFORMATION CO., LTD.	None	Note 6
2023.05	10	200,000	2,000,000	160,089	1,600,898	Conversion of stock option into 341 thousand shares	None	Note 7
2023.06	10	200,000	2,000,000	160,089	1,600,898	Amendment to Company Articles	None	Note 8
2023.09	10	200,000	2,000,000	160,178	1,601,788	Conversion of stock option into 89 thousand shares	None	Note 9
2023.12	10	200,000	2,000,000	160,241	1,602,418	Conversion of stock option into 63 thousand shares	None	Note 10
2024.03	10	200,000	2,000,000	160,407	1,604,078	Conversion of stock option into 166 thousand shares	None	Note 11
2024.06	10	200,000	2,000,000	160,890	1,608,908	Conversion of stock option into 483 thousand share	None	Note 12
2024.06	10	200,000	2,000,000	160,890	1,608,908	Amendment to Company Articles	None	Note 13
2024.09	10	200,000	2,000,000	160,966	1,609,668	Conversion of stock option into 76 thousand share	None	Note 14

Month/ Year	Par Value (NT\$)	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital Increased by Assets Other than Cash	Others
2024.09	10	200,000	2,000,000	168,987	1,689,872	Issuance of 8,020 Thousand New Shares through Capital Increase from Capital Reserve	None	Note 15
2024.10	10	200,000	2,000,000	168,987	1,689,872	Change of Corporate Shareholder's Representative	None	Note 16
2025.01	10	200,000	2,000,000	169,369	1,693,692	Conversion of stock option into 382 thousand share	None	Note 17
2025.03	10	200,000	2,000,000	169,451	1,694,512	Conversion of stock option into 82 thousand share	None	Note 18

Note 1: Jing-Shou-Shang-Zi Letter No. 11101044300 dated Apr. 11, 2022.

Note 2: Jing-Shou-Shang-Zi Letter No. 11101087560 dated Jun. 07, 2022

Note 3: Jing-Shou-Shang-Zi Letter No. 11101163000 dated Aug. 26, 2022.

Note 4: Jing-Shou-Shang-Zi Letter No. 11101222520 dated Nov. 24, 2022.

Note 5: Jing-Shou-Shang-Zi Letter No. 11230043040 dated Mar. 21, 2023.

Note 6: Jing-Shou-Shang-Zi Letter No. 11230083150 dated May 24, 2023.

Note 7: Jing-Shou-Shang-Zi Letter No. 11230090300 dated May 31, 2023.

Note 8: Jing-Shou-Shang-Zi Letter No. 11230105310 dated June 15, 2023.

Note 9: Jing-Shou-Shang-Zi Letter No. 11230168790 dated September 1, 2023.

Note 10: Jing-Shou-Shang-Zi Letter No. 11230225820 dated December 5, 2023.

Note 11: Jing-Shou-Shang-Zi Letter No. 11330042090 dated March 26, 2024.

Note 12: Jing-Shou-Shang-Zi Letter No. 11330089920 dated June.7, 2024

Note 13: Jing-Shou-Shang-Zi Letter No. 11330094460 dated June.13, 2024

Note 14: Jing-Shou-Shang-Zi Letter No. 11330157510 dated Sep. 9, 2024

Note 15: Jing-Shou-Shang-Zi Letter No. 11330168970 dated Sep. 23, 2024

Note 16: Jing-Shou-Shang-Zi Letter No. 11330173960 dated Oct..01, 2024

Note 17: Jing-Shou-Shang-Zi Letter No. 11330207610 dated Jan.08, 2025

Note 18: Jing-Shou-Shang-Zi Letter No. 11430036970 dated Mar.27, 2025

2. Type of Stock

March 31, 2025; Unit: shares

Share Type	Authorized capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Ordinary shares	169,451,221	30,548,779	200,000,000	Approved capital amount, with 5,000 thousand shares reserved for issuance of employee stock options certificates.

2. Information regarding self-registration: None.

(II) List of major shareholders

March 31, 2025; Unit: shares; %

Shareholding Shareholder's Name	Shares	Percentage
ASUSTeK Computer Inc.	45,933,118	27.11
IBASE Technology Inc.	43,773,212	25.83
Yung-Shun, Chuang	20,642,399	12.18
HUA-CHENG VENTURE CAPITAL CORP.	8,774,909	5.18
HUA-MIN INVESTMENT CO.,LTD.	8,774,909	5.18
Chiang- Jan Investment Co., Ltd.	5,306,172	3.13
Jui Hai Investment Co.,Ltd.	4,739,647	2.80
Yu-Ming, Huang	4,200,849	2.48
Chiang- Yu Investment Co., Ltd.	1,785,364	1.05
Taishin International Commercial Bank entrusted with the Kuan-Chung, Yang Trust Account	1,607,000	0.95

(III) Dividend policy and implementation status

1. Dividend policies stated in The Company's Articles of Incorporation

The Company's annual final accounts surplus shall first be used to pay taxes and to offset accumulated losses. Thereafter, 10% of the remaining surplus shall be allocated to the legal reserve; however, this requirement shall not apply once the legal reserve has reached the Company's paid-in capital. Additionally, a special reserve shall be appropriated or reversed in accordance with operational needs and regulatory requirements. Any remaining surplus, together with undistributed earnings from prior years, shall be allocated pursuant to a distribution proposal prepared by the Board of Directors and approved by the Shareholders' Meeting.

Regarding future dividend distributions, based on financial, operational, and business considerations, the Company may distribute part or all of the earnings available for distribution in the current year. At least 50% of the distributable earnings shall be allocated for shareholder dividends, and cash dividends shall account for no less than 50% of the total dividends distributed. The actual amount of distribution shall be subject to the resolution of the Shareholders' Meeting. The procedure for determining remuneration follows the Company's "Performance Evaluation Measures for Directors and Managers." It takes into consideration the Company's overall operating performance, future industry risks, development trends, individual performance achievement rates, and contributions to the Company's results to ensure reasonable compensation. The related performance evaluations and the reasonableness of remuneration are reviewed by the Compensation Committee and the Board of Directors. The remuneration system is also reviewed and adjusted as necessary based on the Company's actual operational status and applicable laws to maintain a balance between sustainable business operations and risk management.

2. Proposed distribution of dividend

The proposal for the distribution of 2024 profits was passed at the meeting of the Board of Directors on Feb. 27, 2025. The proposal for distribution of dividend will be discussed at the annual shareholders' meeting are as follows:

Unit: NT\$

Items	Amount
Opening undistributed earnings	192,229,227
Current year net income after tax	966,876,947
The effects of long-term investments not recognized by shareholding percentage	-
Share-based payment	-
Profit after tax of current year and undistributed earnings other than profit after tax	966,876,947
Legal reserve appropriated	(96,687,695)
Earnings to be allocated	1,062,418,479
Earnings distribution:	
Dividends to Shareholders (at \$ 5.15 per share)	(872,673,788)

- (IV) The proposed free share placement in the current year shall have no impact on the Company's operating performance and earnings per share:

Pursuant to the Board of Directors' resolution dated February 27, 2025, the earnings distribution for the current fiscal year shall be made entirely in cash; therefore, this item is not applicable.

(V) Remuneration for directors and supervisors

1. Percentage or range of remuneration for employees, Directors and Supervisors:

The remuneration to employees and Directors shall be distributed based on the profit of the current year. After accumulated deficits have been set off by the profit in the year (namely profit before tax, before deducting remuneration to employees and Directors), if there shall still be surplus, no less than 5% of which may be distributed to employees and no more than 1% of which may be distributed to Directors as remuneration.

Qualification requirements of the employees who are entitled to receive the employees' compensation may be specified by the Board of Directors.

2. The standard of accruing employee compensation and remuneration of the Board of Directors and Supervisors, the standard of distributing employees' compensation in the form of stock bonus, and the accounting treatment of difference between the actual distribution amount and the accrued amount: No difference between the actual and estimated amount

3. Distribution of Remuneration approved by the Board of Directors:

- (1) The amount of remuneration distributed to employees and Directors in forms of cash or shares. If there is a difference from the estimated annual amount of the recognized expenses, the amount, reason and treatment should be disclosed:

The distribution of 2024 remuneration has been approved resolved by the Board of Directors on Feb. 27, 2025. The distribution of remuneration to employees, Directors and Supervisors is as follows, and is the same as the recognized amount:

Remuneration to employees: \$87,389,000

Remuneration to Directors: \$9,630,000

- (2) The amount of any employee compensation distributed in stocks as a percentage of the sum of the current after-tax net income and total employee compensation: None.

4. The actual distribution of employee, Director, and Supervisor compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the

recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated:

The distribution of 2023 remuneration has been approved by the e-voting result of the shareholders' meeting. on May 29, 2024. The distribution of bonus to employees and remuneration to Directors and Supervisors are as follows:

- (1) Actual amount of remuneration distributed to employees, Directors and Supervisors:
Remuneration to employees: \$97,518,000
Remuneration to Directors: \$7,200,000
- (2) If there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated: No discrepancy.

(VII) Buy-back of the Company's shares by the company: None.

2. Bonds
None.
3. Preference shares
None.
4. Global Depository Receipts
None.

5. Employee Stock Options

(I) Issuance of Employee Stock Options: None.

(II) List of Executives Receiving Employee Stock Options and the Top Ten Employees with Stock Options:

Mar. 31, 2024

	Title	Name	No. of Stock Options (thousand shares)	Stock Options as a Percentage of Shares Issued	Exercised				Unexercised			
					No. of Shares Converted (thousand shares)	Strike Price (NT\$)	Amount (NT\$ thousands)	Converted Shares as a Percentage of Shares Issued	No. of Shares Converted	Strike Price (NT\$)	Amount (NT\$ thousands)	Converted Shares as a Percentage of Shares Issued
Managers	President	Chien-Hung, Lin	1,236	0.73	1,128	65.7/63.1/60.7/55.4	69,037.8	0.67	0	2019 strike price per share: \$ 72.3	0	0
	Vice President	Chi-Hung, Liao										
	Vice President	Kuo-Chiang, Wang										
	Vice President	Yu-Yu, Chu										
	Senior Assistant V.P.	Yun-Chen, Tu								2020 strike price per share: \$ 68.8	0	0
	Assistant V.P.	Li-Kai, Lai										
	Senior Assistant V.P.	Shu-Chen, Li								2021 strike price per share: \$ 65.7	0	0
	Senior Assistant V.P.	Shao-Chou, Hsueh										
	Assistant V.P.	Jen-Chieh, Huang								2022 strike price per share: \$ 63.1	0	0
	Assistant V.P.	Wen-Ming, Ni										
	Manager	Wan-Hui, Chiu								2023 strike price per share: \$ 60.7	0	0
	Manager	Jen-Chung Wang										
	Manager	Ming-Han Hsieh								2023 strike price per share: \$ 55.4	0	0
	Assistant V.P.	Chris Chuang										
	Assistant V.P.	Hank Peng										
	Assistant V.P.	Jansin Li										
Employee	Top Ten Employees (Note 1)		412	0.24	412	65.7/63.1/60.7	25,739.6	0.24	0		0	0

Note 1: For the Salary confidentiality principle, the name and title are non-disclosure.

Note 2: This Employee Stock Options expired on November 26, 2024.

6. Employee stock options restriction
None.
7. Status of New Share Issuance in Connection with Mergers and Acquisitions:
None.
8. Financing Plans and Implementation
None.

IV. Business Performance

1. Content of business

(I) Business scope

1. The main contents of the Company's business are as follows:
 1. CC01070 Telecommunication Equipment and Apparatus Manufacturing
 2. CC01080 Electronic Parts and Components Manufacturing
 3. CC01110 Computers and Computing Peripheral Equipments Manufacturing
 4. CE01010 Precision Instruments Manufacturing
 5. E603050 Cybernation Equipments Construction
 6. E605010 Computing Equipments Installation Construction
 7. F213030 Retail sale of Computing and Business Machinery Equipment
 8. F213040 Retail Sale of Precision Instruments
 9. F213060 Retail Sale of Telecom Instruments
 10. F218010 Retail Sale of Computer Software
 11. F219010 Retail Sale of Electronic Materials
 12. F401010 International Trade
 13. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import
 14. I501010 Product Designing
 15. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
2. Proportion of business

Unit: NT\$ thousand

Item \ Year	2023		2024	
	Amount	Proportion	Amount	Proportion
Single board computers and peripherals	3,935,498	48.75%	4,006,649	55.76%
Industrial system products	3,613,123	44.75%	2,710,940	37.73%
Others	524,582	6.5%	468,442	6.51%
Total	8,073,203	100.00%	7,186,031	100%

Note: The item "Others" includes revenue from sales of spare parts, goods and labor.

3. Main products:

Embedded single-board computers, industrial-grade motherboards, embedded computers, in-vehicle computers, industrial-grade LCD monitors, industrial-grade Panel PCs, industrial-grade LCD display workstations, PC / 104 single-board computer add-on cards, slot-type single-board computers and Backplanes, industrial-grade innovative development boards, rugged tablet computers, network appliance, Edge AI devices, Edge AI servers, IoT gateways, intelligent vending machines, intelligent street lighting solutions, and DMS design and manufacturing service..

4. Planned new products/services:

- (1) Artificial intelligence (AI) modules and edge computing devices
- (2) Edge AI servers and server motherboards

- (3) GPU AI accelerator
- (4) Industrial-grade innovative development board and its peripherals
- (5) Smart city related IoT solutions

(II) Industry overview

1. Current Status and Development of the Industry

The Company is a professional designer and manufacturer of industrial computer products. Our product lines encompass single-board computers (SBCs), peripheral devices, and industrial systems, which are widely deployed in vertical markets such as smart retail, smart manufacturing, smart transportation, network security, and edge computing. The following sections will describe the current state of the global industrial PC industry and market trends in the Company's key application areas.:

(1)Industrial PC

Industrial PCs (IPCs) initially served as the backbone of industrial automation control. In recent years, driven by technological integration and the expansion of application scenarios, they have evolved to support a wide range of uses. From traditional factory automation to smart cities, medical imaging processing, vehicle-mounted systems, and energy management, IPCs have become a core infrastructure for enterprise digital transformation. With the advancement of AIoT technology, IPCs now play a pivotal role in smart manufacturing, smart cities, and other fields. By integrating edge computing and AI inference capabilities, they enable real-time data processing, reducing reliance on cloud computing. Additionally, to meet the demand for small-batch, high-variety production, hardware design has shifted toward modularity, allowing for rapid customization and further enhancing market competitiveness.

(2)Smart retail

Smart retail is reshaping the consumer experience and operational efficiency by integrating the Internet of Things (IoT), Artificial Intelligence (AI), and Big Data. Physical stores are combining digital signage, mobile payments, and AI-powered recommendation systems (for example, using facial recognition to provide personalized promotions) to create an Online-Merge-Offline (OMO) shopping experience. The new generation of POS systems integrates inventory management, consumer behavior analysis, and cloud-based collaboration features, supporting real-time data synchronization across multiple stores. This makes them a core tool for the digital transformation of the retail industry. Furthermore, the maturation of self-checkout and unmanned store technologies reduces labor costs and increases operational flexibility, presenting new opportunities for industrial PCs in the smart retail sector.

(3)Smart manufacturing

Under the momentum of digital transformation, the smart manufacturing ecosystem is experiencing accelerated technological innovation. Digital Twin technology uses virtual simulations of production processes to predict equipment failures and optimize production line efficiency. Collaborative robots (Cobots), combined with AI-powered visual inspection, improve assembly precision and production flexibility, further promoting human-machine collaboration. Moreover, smart manufacturing is integrating AI-based energy management systems to reduce carbon emissions and waste, aligning with global sustainability trends. Technologies such as the industrial metaverse, digital twins, and AI-based predictive maintenance are also gradually being adopted, further enhancing production efficiency and reducing costs.

(4)Network Security

As digital transformation accelerates and cyber threats escalate, the role of industrial PCs in network security is becoming increasingly crucial. The Zero Trust architecture, which replaces traditional perimeter-based security with enhanced access control for both internal

and external networks, is emerging as a mainstream trend in enterprise cybersecurity. AI-driven threat detection systems utilize machine learning to identify anomalous traffic and advanced persistent threats (APTs) in real-time, bolstering network defenses. Furthermore, industrial-grade security appliances, such as ruggedized firewalls with wide-temperature and vibration-resistant designs, are well-suited for factories and outdoor environments, meeting enterprise demands for high performance and reliability.

(5) AI Edge computing

Edge computing is driving the deployment of real-time AI applications, becoming a key technology for realizing large-scale AI implementations. Initially, AI model training and inference relied heavily on cloud computing resources. However, this architecture faced bottlenecks in terms of latency, bandwidth costs, and data security. With the development of high-performance edge computing platforms and AI accelerator chips, edge AI offloads some or all computing tasks to edge devices, enabling localized data analysis and decision-making, improving system responsiveness, and reducing operational costs. In recent years, Generative AI Models have advanced rapidly. Through techniques like model compression, quantization, and pruning, complex models can be deployed on edge devices, enabling localized content generation, style transfer, and anomaly detection. Looking ahead, as technologies such as 5G, AI chips, and open-source frameworks continue to evolve, edge AI will unlock even greater potential in areas like smart manufacturing, smart cities, and smart healthcare.

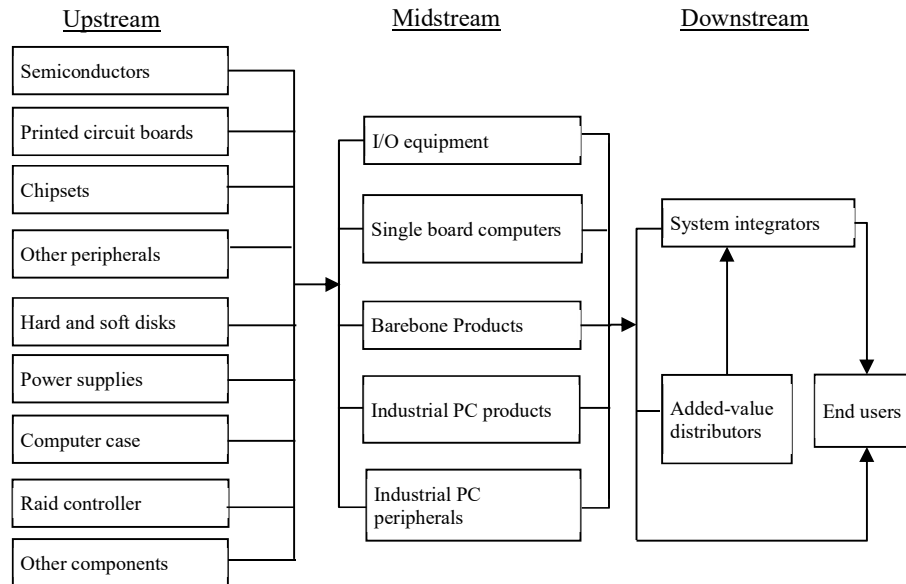
2. Correlation of the upstream, midstream, and downstream of the industry

The Company's main products are single-board computers and industrial computer systems. The upstream and midstream of these products are similar to the general motherboard and computer system manufacturers, but the downstream sales targets are different. Single-board computers or industrial computers are usually sold to system integrators for final system integration, or to dealers with professional engineering backgrounds to develop local potential customers. Association between upstream, midstream, and downstream (detailed as the graph below)

Upstream: Manufacturers of semiconductors, connectors, software, printed circuit boards, hard and hard disk drives, power supplies, and other electronic components.

Midstream: Manufacturers of I/O equipment, single-board computers, industrial computer products, system products and peripherals.

Downstream: system integrators, distributors, and end users.



3. Product development trends and competition

(1) Product development trends

Beyond steady growth in the industrial automation sector, the industrial PC industry is also seeing expansion driven by embedded PC-based applications. These applications are being widely integrated across various industries, including communications, consumer electronics, IT, networking, entertainment, medical, finance, and retail.

A. Embedded PC

Embedded PCs resemble personal computer motherboards but typically feature integrated embedded processors, offering compact size and high customization capabilities. The industry has a high barrier to entry. Products are characterized by low-volume, high-mix production and a high degree of functional integration, requiring in-depth market knowledge and comprehensive pre-sales and post-sales service. Embedded PCs have a wide range of applications and are becoming the interface platform of choice for automation equipment across various industries, presenting significant market potential. Due to their high level of customization and relatively higher gross profit margins, they are considered niche products. To meet the demand for mobile applications, the development trend for embedded PCs is towards thinner, lighter, and smaller form factors, evolving into ubiquitous computing platforms. In recent years, embedded PCs have also incorporated AI accelerator chips to support edge AI computing, finding applications in smart cities, drone navigation, and industrial visual inspection.

B. Industrial PC

The application scope of industrial PCs continues to expand, evolving from early factory automation control and monitoring to encompass building automation, communication automation, and total plant automation, integrating into daily life in various forms. Moreover, industrial PCs designed specifically for railway trains and automobiles (often referred to as in-vehicle computers) are seeing increased adoption in fleet management, in-vehicle security monitoring, and electronic ticketing systems. In recent years, with the advancement of AIoT technology, industrial PCs have garnered significant attention for applications in autonomous driving and connected vehicles. For example, in-vehicle computers combined with 5G and edge computing

technologies enable real-time traffic analysis and fleet dispatch, further enhancing transportation efficiency and safety.

C. Panel PC

Panel PCs integrate the functions of a computer, display, and keyboard into a single unit, making them adaptable to various space constraints. With the increasing prevalence of the internet, the range of applications for these devices is also expanding. Panel PCs with high brightness and wide-temperature capabilities are experiencing growing demand in industrial automation, healthcare, and retail sectors. For example, in healthcare, Panel PCs are used in operating rooms and consultation rooms, supporting high-resolution image display and touch operation. In retail, they serve as interactive digital signage, providing consumers with real-time information and promotional content. Furthermore, the new generation of Panel PCs supports sunlight-readable technology and anti-bacterial coatings, further expanding their use in outdoor and medical environments.

D. Network Application

Network security solutions encompass both network security and traffic management, and are deployed in enterprise data centers. Network security solutions, also known as firewall solutions, are designed to provide security protection for enterprise internet connections, preventing intrusions from external networks. The recently developed field of network traffic management also falls under this category. End-user applications include large online gaming companies, large e-commerce platforms, and similar organizations. Network security solution providers specialize in software, which is diverse and complex, requiring specific hardware configurations to operate effectively. Some of this hardware is designed and manufactured by industrial PC companies.

Industrial PC manufacturers play an increasingly important role in this application area. They are adept at producing low-volume, high-mix ruggedized products, which aligns with the needs of the network security industry. Their designs offer a high degree of customization flexibility in terms of ports, firmware, and thermal management. High-end products often feature automatic failover and hot-swappable capabilities.

With the proliferation of mobile devices and the rise of cloud services, network traffic has experienced explosive growth, and network security threats have intensified accordingly. This drives a continuous demand for high-performance network security systems. In recent years, Zero Trust Architecture has gained traction, placing higher demands on the functionality and performance of network security appliances. These appliances must not only provide traditional firewall and intrusion prevention capabilities, but also possess more robust identity verification, traffic analysis, and threat intelligence capabilities to counter increasingly sophisticated cyberattacks. Furthermore, the growing frequency of ransomware attacks is also driving demand for more advanced network security appliances.

E. Rugged Tablet Computer (RTC)

Rugged tablet computers are characterized by their compact size, light weight, portability, comprehensive functionality, and ease of operation. With the proliferation of network communication technologies, their applications across various vertical industries continue to expand. They are widely used in on-site automated inspections, military units, law enforcement, transportation, smart logistics, smart warehousing, and smart retail. In recent years, with the development of 5G technology, rugged tablet computers have also shown significant potential in applications such as telemedicine and drone control. For example, in smart logistics, RTCs combined with RFID and barcode scanning capabilities enable real-time inventory management and

asset tracking. In telemedicine, they support high-definition video transmission and real-time diagnostics, improving the efficiency of healthcare delivery.

(2) Competition

There hasn't been much change in industrial computer hardware specifications. The biggest difference lies in service. From the pre-sales service in the sales stage to product after-sales service, and the ability to realize the promises given to customers will result in price differences. The required quality also varies greatly. As for the delivery speed, most of the manufacturers with more integration have their own complete production lines, and better production flexibility. Therefore they can better satisfy the customer's delivery. The domestic competitors can be divided to the following four types by degree of vertical integration:

- A. Fully vertically integrated manufacturers: Manufacturers that have R&D, production, testing, and marketing capability.
- B. Without a production line: Manufacturers that have their own R&D and outsourced to other companies for production after the product design is completed. The subsequent product testing and packaging and sales are completed by the manufacturers themselves.
- C. R&D manufacturers: Manufacturers that only engage in product innovation and R&D. After the product design is specified, the design is sold to downstream companies for production and sales.
- D. Trading companies: Companies consisting of only marketing, sales and PM. After formulating the specifications according to customer needs, the specification is commissioned Design House for design, OEM, and manufacture, while the company handles only sales.

In recent years, motherboard manufacturers have entered the competition. Although motherboard manufacturers have considerable advantages in price, they are mainly based on standardized products, and are not as good as industrial computer manufacturers in terms of flexibility, service and product life cycle support.

(III) Technological research and development

1. Annual R&D expenses as of the printing date of this annual report

Unit: NT\$ thousand; %

Item \ Year	2023	2024
Research and development expenses	624,360	709,691
Net revenue	8,073,203	7,186,031
As a percentage of net revenue	7.73%	9.88%

Note 1: As of the printing date of this annual report, there are 2025Q1 financial reports documents to be audited by the CPAs.

2. Successfully developed technologies or products in the most recent fiscal year and as of the printing date of this annual report

2023	<ul style="list-style-type: none"> Embedded single-board computers and motherboards: PICO-RAP4 、 PICO-ASL4 Rev.B 、 PICO-MTU4 、 GENE-ASL5 、 MXM-ACMA 、 GENE-EHL5 A12 、 EPID-SGST01 、 DENEXT-TGU8-EZBOX 、 GENESYSM-ADN6 、 PFM-540IA12 、 GENE-BT06 A13 、 NOC-BORM-USX 、 SRG-IMX8PL 、 PICO-AM62 、 SRG-CM4 、 NOC-TLEN-PC104 、 uCOM-IMX8P
------	--

	<ul style="list-style-type: none"> ● Smart platform product: BOXER-6843-ADS、BOXER-6711-ADN、VPC-5640S、BOXER-8645AI、BOXER-8653AI、BOXER-8623AI、MAXER-2100-Q670、BOXER-8658AI、BOXER-6406U-ADN、BOXER-6645U-RPL、BOXER-8642AI、BOXER-8641AI-C2 ● Rugged portable product: ACP-1075、RTC-1010RK、RICO-3568、OMNI-ADP-KIT、ACP-1108、RICO-MX8P、ACP-2106_2076、MV A2.0 ● Industrial computer product: OMB-H610、MIX-H610A1、PMC-H610、MOD-CAN、JTS-BP1、MIX-H610A2、SMS-SCL2、VX40、MOD-COM、MIX-Q670A1-A13-AN、FAY-H610D ● Network Security Products: ICS-6280、FWS-7851、FWS-7850、FWS-2290、FWS-2370、NMB-PTBD、FWS-2272 Rev. B1.1、FWS-2277 Rev.B、FWS-2280 Rev.B、SMK-7541 ● UP system product: UPN-EDGE-ASLH01、UPX-MTL01 (UP Xtreme i14)、UPS-ASL01 (UP Squared 7100)、UPS-EDGE-ASL01 (UP Squared 7100 Edge)、AXONE NEMO2 EVO
As of printing date of the annual report	<ul style="list-style-type: none"> ● Embedded single-board computers and motherboards: MXM-ACMA-PUC、GENE-MTH6、uCOM-IMX93 ● Smart platform product: BOXER-8654AI-KIT、BOXER-8641AI-C3 ● Rugged portable product: MRLN ● Industrial Computer Products: VX80、MIX-ASLD1 ● Network Security Product: FWS-7370 ● UP Series Product: UP-ASL02 (UP 710S)、UPX-EDGE-MTL01 (UP Xtreme i14 Edge)

3. The Company has proposed to invest \$520,000 in R&D by the end of 2025.

(IV) Long- and short-term business development plans

1. Marketing strategy

(1) Short-term plan

- A. Actively develop new markets emerging from AI adoption, while simultaneously promoting AI-powered products to existing markets, focusing on target sectors such as smart manufacturing, smart retail, smart transportation, and network security.
- B. Strengthen the company's image as an Intel Titanium Partner and NVIDIA Elite Partner through joint marketing initiatives with Intel and NVIDIA, increasing brand visibility and opportunities to reach new customers.
- C. Promote the company's own brands through trade show participation and digital marketing activities (including SEO, content marketing, and social media marketing) to gain customer brand recognition.
- D. Maintain the AAEON eShop, providing fast delivery service (3-5 business days) to enable customers worldwide to quickly obtain and evaluate the company's product

(2) Mid-long-term plan

- A. Establish a presence in key global markets by setting up branch offices or subsidiaries to promote the company's own brands.
- B. Continuously provide high-quality products and after-sales service to earn customer trust and maintain strong, long-term relationships.
- C. Develop a larger portfolio of major ODM/DMS clients.
- D. Form strategic alliances with industrial PC manufacturers offering complementary product lines to facilitate cross-selling opportunities.

2. Production strategy
 - (1) Short-term plan
 - A. Establish a quick and instant production system.
 - B. Strategic alliance with professional manufacturers.
 - C. Expand the capability of system assembly.
 - (2) Mid-long-term plan
 - A. Achieve world-class manufacturing quality standards.
 - B. Establish a robust hub-and-spoke production network.
 - C. Form strategic alliances with key component suppliers.
 - D. Implement automation and AI technologies to enhance production efficiency and quality.
 3. Product development trends
 - (1) Short-term plan
 - A. Produce stable, reliable, and competitively priced single-board computers (SBCs).
 - B. Accelerate customer adoption through the "Q Plus Service," a rapid service provided by a team of experts.
 - C. Produce fast-turnaround, professional, and highly reliable ODM products.
 - D. Integrate artificial intelligence into the company's various finished products.
 - (2) Medium- to Long-Term Plan Overview
 - A. Develop products tailored to the specific needs of vertical industries.
 - B. Collaborate with cloud service providers to offer IoT products and services.
 - C. Partner with application software and sensor manufacturers to provide comprehensive AI solutions.
 - D. Create products that are user-friendly, affordable, and of high quality.
 - E. Develop products that are intuitive and easy to operate.
 - F. Manufacture high-quality, low-cost key components.
 4. Business operation
 - (1) Short-term plan
 - A. Implement organizational flattening and adopt a lean staffing strategy.
 - B. Foster a proactive and enthusiastic team approach.
 - C. Integrate project management organizationally
 - (2) Mid-long-term plan
 - A. Adopt a focused operational strategy.
 - B. Structure each business unit as a flexible and robust operational entity, supported by shared resources and strategic leadership from headquarters, to form a strong corporate group and develop the sales and marketing capabilities of a multinational enterprise.
 5. Financial plans
 - (1) Short-term plan
 - A. Maintain effective cost control.
 - B. Increase the company's visibility.
 - C. Employ a prudent yet flexible approach to capital management to minimize funding costs and support the company's future growth.
 - (2) Medium- to Long-Term Plan Overview
 - A. Build capacity for financial maneuvering and operational flexibility.
2. Market and Sales Overview
 - (I) Market analysis

1. Sales (supply) regions of major products (services)

Unit: NT\$ thousand; %

Area \ Year	2023		2024	
	Sales volume	Percentage	Sales volume	Percentage
Domestic sales	796,487	9.87%	637,652	8.87%
Exports	7,276,716	90.13%	6,548,379	91.13%
Total	8,073,203	100.00%	7,186,031	100.00%

2. Market share

The industrial PCs developed by our company are marketed globally. However, the industrial PC market is characterized by high-mix, low-volume production, making it a niche market. As such, there are no publicly available, authoritative statistical data in Taiwan that clearly indicate the company's market share.

3. Future market supply/demand and growth potentials

(1) Industrial PC

Industrial PCs were initially developed to facilitate the "upgrade" of industrial production to automated production lines. Consequently, the primary application area remains the automation industry. However, as the demand for automation increases across various industries, industrial PCs are increasingly needed to form integrated control systems, resulting in a wide range of applications. Beyond automated production lines in industrial processes, industrial PCs can be found in retail, healthcare, transportation, and numerous other sectors. Essentially, wherever automation equipment is deployed, industrial PCs are likely to be involved in their control.

According to a report by Precedence Research, the global industrial PC market size was valued at USD 5.08 billion in 2023 and is projected to reach USD 5.36 billion in 2024 and USD 9.18 billion by 2034, representing a compound annual growth rate (CAGR) of 5.53% from 2024 to 2034. The adoption of the Internet of Things (IoT) and Industry 4.0, along with the growing demand for automation across various sectors, are key drivers propelling the industrial PC market's expansion.

(2) Smart retail

Smart retail leverages internet and IoT technologies, taking a consumer-centric approach to understand consumer habits, predict consumption trends, and guide production accordingly. This aims to provide consumers with diverse, personalized products and services, delivering unique value and differentiated experiences. With the integration of technologies such as mobile payments, machine vision, artificial intelligence, big data, and cloud computing, and with trials of new models and formats like self-checkout, unmanned shelves, and unmanned stores, smart retail is transforming the retail industry landscape.

According to a report by Mordor Intelligence, the global smart retail market size is projected to reach USD 30.68 billion in 2025 and is expected to reach USD 83.7 billion by 2030, representing a compound annual growth rate (CAGR) of 22.23% from 2025 to 2030. The growth of the smart retail market is primarily driven by advancements in artificial intelligence (AI) technology, the widespread adoption of the Internet of Things (IoT), and retailers' need to enhance the customer shopping experience and streamline operational processes.

(3) Smart manufacturing

Smart manufacturing involves the introduction of intelligence throughout the entire

manufacturing process, integrating information and communication technologies (ICT) such as 5G, IoT, and artificial intelligence. This impacts every stage of the manufacturing system, enabling it to select the appropriate and efficient method to complete tasks at the right time, and to effectively handle unexpected situations during the manufacturing process. Driven by a global decline in the workforce, rapid market changes, and shortened production cycles, the Industrial Internet of Things (IIoT) has emerged, making smart manufacturing a focal point of industrial development in many countries. Smart manufacturing will revolutionize processes across the value chain, including product R&D, manufacturing, logistics, and sales, while also effectively improving worker safety and the working environment, aiming for zero emissions and zero accidents. Moreover, smart manufacturing can increase factory flexibility, reduce energy consumption, improve environmental sustainability, and lower product costs. With the development of emerging technologies like the industrial metaverse and digital twins, smart manufacturing is poised for new growth opportunities. These technologies will further enhance production efficiency, reduce costs, and enable greater customization in manufacturing.

According to a report by MarketsandMarkets, the global smart manufacturing market size is projected to reach USD 233.33 billion in 2024 and is expected to reach USD 479.17 billion by 2029, representing a compound annual growth rate (CAGR) of 15.5% from 2024 to 2029. Key drivers for market growth include the increasing need to optimize resource utilization and reduce waste, as well as government initiatives promoting smart manufacturing (such as "Made in USA"). Furthermore, the growing demand for innovative technologies that minimize manufacturing downtime and production waste, coupled with the accelerated development of the Industrial Internet of Things (IIoT) and cloud computing, presents significant opportunities for the smart manufacturing market.

(4) Network Security

With the widespread adoption of internet applications and the growth of cloud computing, network security threats have become increasingly severe, leading to a continuous rise in demand for network security systems. Currently, many network equipment vendors are moving towards Unified Threat Management (UTM), providing integrated solutions based on firewalls and VPNs that incorporate features such as antivirus, intrusion detection/prevention, spam filtering, and content filtering. As telecommunications services diversify, the importance of networking and communication to telecom operators is growing, with most operators shifting their focus to network services. However, traditional telecom equipment manufacturers struggle to meet operator needs for supporting new types of services. Consequently, the development of Software-Defined Networking (SDN), Network Functions Virtualization (NFV), coupled with virtual Customer Premises Equipment (vCPE), is gaining traction. Zero Trust Architecture has become the dominant security framework, placing higher demands on the security of network appliances.

According to a report by Business Research Insights, the global Network Security Appliance market size was valued at USD 8 billion in 2023 and is projected to reach USD 16.67 billion by 2032, representing a compound annual growth rate (CAGR) of 8.5% from 2023 to 2032. Key drivers for market growth include the increasing incidence of cyberattacks and cybercrime, as well as the rising demand for cloud-based solutions and the implementation of Bring Your Own Device (BYOD) policies.

(5) Edge computing

Edge computing, as a distributed computing architecture, shifts data processing and analysis from centralized cloud environments to edge nodes closer to the data source.

This enables low-latency, high-efficiency real-time computing capabilities. The convergence of 5G and AI technologies is a key driver for the advancement of edge computing. 5G networks, with their high bandwidth and low latency characteristics, provide an ideal infrastructure for edge computing, particularly in areas like smart cities, autonomous driving, and the Industrial Internet of Things (IIoT). The proliferation of AI technology further fuels the demand for intelligent edge devices. For example, in smart manufacturing, edge AI can be used for real-time quality inspection and predictive maintenance. Furthermore, with increasingly stringent data privacy regulations (such as GDPR), businesses are inclined to process sensitive data locally, avoiding uploads to the cloud and thereby reducing the risk of data breaches. The advancement of Industry 4.0 and smart manufacturing also necessitates real-time data analysis and control for factory equipment, making edge computing a core technology to achieve this goal. Edge computing finds wide applications in smart cities (traffic management, environmental monitoring, and public safety), healthcare (telemedicine and wearable devices), and retail and logistics (unmanned stores and smart warehouse systems). With the increasing availability of AI chips, edge devices are capable of performing complex AI inference tasks, further driving market growth. In the future, edge computing will be deeply integrated with the cloud, forming an edge-cloud collaborative computing model to achieve optimal resource allocation and efficient utilization. As edge computing becomes more prevalent, data privacy and security concerns are receiving increasing attention, and the development of relevant regulations and technical standards will be crucial for market development.

According to a report by MarketsandMarkets, the global edge computing market size is projected to reach USD 60 billion in 2024 and is expected to reach USD 110.6 billion by 2029, representing a compound annual growth rate (CAGR) of 13.0% from 2024 to 2029. Key drivers for market growth include the demand for real-time insights across various industries, the rapid growth of Internet of Things (IoT) devices, and the rollout of 5G networks

4. Competitive advantage

The company's current strengths and competitive advantages in the industry are as follows:

(1) Strong R&D capability

The company possesses a professional R&D team with extensive expertise and experience. In the past, the company has been an industry leader in developing embedded boards and fanless systems. Currently, in addition to focusing on design innovation and improvement of core technologies, the company also conducts research into unique technologies required by different vertical markets. The research scope encompasses POS technology, ATM technology, industrial automation, network security, the healthcare industry, and other fields. The results of this research are incorporated into the design of various new products, continuously enhancing their uniqueness and maintaining the company's technological leadership. For example, the company was the first in the industry to design Intel Core i-platform technology into a business card-sized NanoCom module, earning high recognition from Intel. Furthermore, the company collaborated with Intel to develop an AI module for the Mini PCIe form factor and became the first partner in Intel's AI: In Production program.

(2) Superior Product Quality

Due to the high-mix, low-volume nature of industrial PCs and the stringent demands for product reliability, maintaining consistent product quality despite frequent process and design changes is a critical competitive factor in the industrial PC industry. AAEON

Group collaborates with customers on joint design and development of new products and processes. The company maintains rigorous quality control. In addition to standardized quality control processes for standard products, a comprehensive quality control procedure is also in place for customized products. The company is committed to maintaining customer satisfaction. As a result, AAEON Group's product technology, product quality, and delivery services consistently meet customer needs, demonstrating the company's strong market competitiveness.

(3) Flexible customized service

The production of industrial PCs is characterized by high-mix, low-volume manufacturing, primarily driven by the need to design and develop new products and processes according to specific customer requirements, thus fulfilling a high degree of customization. Leveraging its strong R&D capabilities, the company considers future product scalability during the design phase of product series. This enables rapid response to customer customization requests, allowing the company to design products that meet specific needs with exceptional speed. To address the high-mix, low-volume nature of industrial PC production, the company has focused on establishing a highly efficient production model for customized products, and designing optimized manufacturing processes based on different product attributes. This approach has resulted in high customer satisfaction.

(4) Strategic resource shared with ASUS Group

After ASUS acquired the company in 2011, recognizing the future potential of the Internet of Things (IoT), the company became a member of the ASUS Group. Beyond expanding sales through its own strong R&D technology and business development capabilities, the company has formed a strategic alliance with the ASUS Group to capitalize on IoT and industrial business opportunities. An example of this is the collaboration with ASUS Cloud Corporation, an ASUS Group member, to launch and market the "AirBox" IoT solution. Furthermore, the high-mix, low-volume nature of industrial PC production often makes it challenging to achieve economies of scale in raw material procurement, leading to higher costs. The company and its subsidiaries mitigate this challenge by engaging in joint procurement and price negotiations with the parent company, ASUS, thereby reducing costs and enhancing product competitiveness.

5. Favorable and unfavorable factors and response policy of development vision

(1) Favorable factors

(A) Rapid Development of PC Applications

Due to the rapid advancement of semiconductor and information hardware technology, the capabilities of personal computers are continually increasing. Currently, the development of global information products, including both software services and hardware, is primarily based on PC applications. This trend provides industrial PCs, which are developed using the standard PC architecture, with significant advantages in terms of enhanced functionality and cost reduction. In addition to the x86 PC architecture, the ARM architecture is also gaining popularity in the industrial PC sector. The ARM architecture offers advantages in low power consumption and high performance, making it suitable for applications such as edge computing.

(B) Booming IoT and AI Drive New Trends in the Industrial PC Industry.

With the ongoing development of global information and communication technologies (ICT), and the combined support of emerging technologies such as cloud computing, big data, artificial intelligence, and edge computing, applications

of AIoT are rapidly expanding. Traditionally, embedded IoT systems operated by collecting data through sensors and embedded devices, transmitting this data via the IoT, using cloud-based AI for big data analysis, and then sending the results back to the embedded devices for execution. With the incorporation of AI, device computing power has increased, and computation has shifted from the cloud to the edge. The computing architecture has consequently evolved to include CPU plus GPU, or CPU combined with AI accelerators such as VPUs, TPUs, or NPUs. Analysis is performed by multiple embedded computers, so that even in the absence of network connectivity, operations are not affected. AIoT applications are already widely used in smart manufacturing (real-time quality inspection and predictive maintenance), smart retail (personalized recommendations and unmanned stores), and smart healthcare (remote monitoring and precision diagnostics). Furthermore, the development of generative AI is opening up new possibilities for AIoT, such as content generation and model optimization at the edge.

(C) Comprehensive Information Industry Infrastructure

Taiwan's information technology industry has a well-developed and comprehensive structure, with established advantages in both vertical integration and vertical specialization. In recent years, domestic manufacturers have also made significant progress in developing upstream key components. This comprehensive information industry infrastructure provides strong support for the development of the industrial PC sector. For industrial PC manufacturers, this translates to readily available raw material supplies, an abundant pool of technical talent, and the capacity for large-scale production and management. These factors contribute to the competitiveness of Taiwan's industrial PC industry in terms of product cost and quality, enabling it to compete effectively with foreign manufacturers.

(2) Unfavorable Factors and Countermeasures

(A) Rapid changes in specifications

The rapid evolution of CPU specifications necessitates frequent adjustments in the production or discontinuation of supporting components. However, industrial PCs have long product lifecycles, making them susceptible to component obsolescence and shortages due to the rapid advancements in the broader IT sector.

Countermeasures:

Beyond maintaining a "Last Buy" inventory of components facing end-of-life, the company takes a more proactive approach to address this challenge. By collaborating with its parent company, ASUS, the company aims to gain early access to new technologies, accelerate new product development, and effectively reduce costs. This encourages customers to adopt newer products rather than relying on repairs of older systems. Furthermore, during the product design phase, the company ensures compatibility between new and legacy systems. This reduces barriers to customer adoption of newer products, increases component interchangeability, and minimizes inventory pressure related to raw materials.

(B) Higher Raw Material Costs

The company is primarily engaged in the R&D, manufacturing, and sales of industrial PC products. Development and design are based on specific customer requirements, resulting in highly customized products. Raw material procurement is driven by customer-specified quantities and specifications. After these specifications and quality standards are confirmed, products are scheduled for

mass production. This leads to a high-mix, low-volume procurement profile, resulting in higher costs and making it difficult to achieve economies of scale.

Countermeasures:

The company mitigates this challenge through joint procurement with its parent company, reducing raw material costs and enhancing product cost competitiveness.

(C) Rising Labor, Rent, and Operational Costs

In recent years, the manufacturing workforce has been shrinking, making it difficult to recruit basic labor. Concurrently, operational costs, including employee salaries, benefits, and rent, have been steadily increasing. These rising costs represent a growing proportion of total manufacturing expenses, thereby reducing the profit margins of the company and its subsidiaries.

Countermeasures:

The company and its subsidiaries are strengthening process management and developing in-house automation equipment to improve production efficiency and yield. This reduces reliance on labor-intensive tasks, offsetting the negative impact of rising labor costs. Furthermore, the company is enhancing employee education and training to improve employee skills and productivity. The company is actively pursuing economies of scale and conducting more rigorous assessments of order pricing to minimize the impact of labor costs on operational performance.

(II) Key Uses and Production Processes of Main Products

1. Key Uses of Main Products

(1) Single Board Computers (SBCs)

Computing functions and various transmission and expansion interfaces are centralized and integrated onto a single motherboard. These boards come in various form factors to meet the space requirements of different applications. After system integration, they can be used in ATMs, POS systems, automation control, public transportation, gaming machines, digital signage, medical equipment, and other applications.

(2) System products

Single board computers are integrated with other components – such as memory, storage devices, LCD displays, touch screens, card readers, GPS modules, and AI accelerators – according to application requirements, to create system-level products. These system products include embedded computers, panel PCs, network appliances, and rugged tablet computers. They can be used in kiosks, human-machine interfaces (HMIs), automation equipment, fleet management, network security, field inspections, and edge AI applications.

2. Production processes of the products

(1) SMT production line

<u>Load substrates automatically</u>	→	<u>Print soldering paste (of tin or glue) to substrates with automatic PLC monitoring system</u>
(Automatic loader)		(Automatic solder paste printer)
→ <u>Print adhesive onto substrates automatically</u>	→	<u>Placing surface mount components onto the substrates automatically</u>
(Adhesive dispenser)		(High-speed component mounter, visual component mounter)

- Make corrections by visual inspection on buffer conveyor
(Substrate buffer conveyor)
- Unload of substrates automatically
(Automatic unloader)
- (2) Add-on and touch-up line
 - Bake substrates
(Trolley type hot air oven) → Adjustable speed chain component insertion conveyor
(Chain insertion conveyor) → Automatic tin soldering
(Automatic tin soldering machine)
 - Cleaning off tin and flux residue with distilled water with machine
(Cleaning machine + Ultra-pure water machine) → Soldering touch-up and assembly of fragile components
(Touch-up conveyor belt)
 - Test
(Internal circuit tester)
- (3) Test line: Reliability baking testing (Insulation and temperature-tolerant oven) → Dynamic burn-in testing → Functional testing
- (4) Assembly line: Package or assembly enclosure materials in different stages (unpowered roller conveyor)

(III) The supply of main raw materials

The Company's production materials are mainly divided into electronic materials, enclosure materials and packaging materials. Except for some IC semiconductors and LCDs purchased from abroad, most of the electronic materials are purchased in Taiwan. Most of the enclosure and packaging materials are designed by the Company itself and purchased in Taiwan. The supply of materials is normal and reasonable. The supply of main raw materials is summarized as follows:

Main raw materials	Supply status
IC, CPU	Good
Operating system	Good
DRAM	Good

(IV) List of principal suppliers and clients

- Names of any suppliers that have supplied 10 percent or more of the Company's procurements in either of the preceding 2 fiscal years

Unit: NT\$ thousand

Item	2022				2023			
	Name	Amount	Percentage of the net purchase of the year (%)	Relationship with the issuer	Name	Amount	Percentage of the net purchase of the year (%)	Relationship with the issuer
1	A	661,080	15.91	The parent company	A	766,883	16.64	The parent company
2	B	428,370	10.31	None	B	631,013	13.70	None
	Others	3,066,257	73.78	-	Others	3,209,503	69.66	-
	Purchase - net	4,155,707	100.00	-	Purchase - net	4,607,399	100.00	-

Explanation of the reason for any change in the amount: There is no significant changes in the year 2024 and 2023.

- Names of any clients that have sold 10 percent or more of the Company's sales in either of the preceding 2 fiscal years: None.

(V) Production for the most recent 2 fiscal years

Unit: volume: thousand units/units; value: NT\$ thousand

Production volume and value Major products (or department classification)	Year	2023			2024		
		Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Single board computers and peripherals		803	734	1,213,080	660	655	1,088,667
Industrial system products		200	204	1,933,653	148	152	1,480,446
Total		1,003	938	3,146,733	808	807	2,569,113

Note: Other items include revenue from sales of spare parts, goods and labor. However, these are not listed due to wide diversity and immateriality of amount.

(VI) Sales for the most recent 2 fiscal years

Unit: volume: thousand; value: NT\$ thousand

Sales Volume/ Value Major products (or department classification)	Year	2023				2024			
		Domestic sales		Overseas sales		Domestic sales		Overseas sales	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Single board computers and peripherals		61	382,663	823	3,552,835	58	300,901	613	3,705,748
Industrial system products		28	254,640	368	3,358,483	17	205,286	223	2,505,654
Others		626	159,184	787	365,398	566	131,465	1,013	336,977
Total		715	796,487	1,978	7,276,716	641	637,652	1,849	6,548,379

3. The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the printing date of the annual report.

Unit: person

Year		2023	2024	As of Mar. 31, 2025
Number of employees	Production	479	468	467
	Construction	340	364	384
	Sale	180	188	184
	Administration	169	157	152
	Total	1,168	1,177	1,187
Average age		41.95	42.82	42.98
Average years of service		8.13	8.26	8.12
Education	Ph.D	3	2	2
	Masters	176	199	206
	Bachelor's Degree	645	678	680
	Senior High School	232	211	216
	Below Senior High School	112	87	83

4. Environmental protection expenditure

In the most recent year and as of the date of publication of the annual report, the total amount of losses and penalties due to environmental pollution (including compensation and violations of environmental protection laws and regulations as a result of environmental protection audits, should list the date of the punishment, the name of the punishment, the provisions of the violation, the content of the violation, Disposition content) and disclose the estimated amount and countermeasures that may occur at present and in the future. If it cannot be reasonably estimated, it should explain the fact that it cannot be reasonably estimated: None.

5. Labor relations

- (I) Setting forth all employee benefits, continuing education, training, retirement systems, and the status of their implementation, as well as the status of agreements between labor and management, and all measures aimed at preserving the rights and interests of employees.

1. Employee welfare measures and implementation

The Company's current main welfare measures include cultural and recreational activities, employee travel, emergency assistance, festival bonus, weddings and funerals, and maternity subsidies. There is employee group insurance, employee training, community activities, employee dividends and other measures.

2. Retirement system and its implementation

The Company formulates employee retirement policies in accordance with the provisions of the Labor Standards Act, and adopts a defined contribution system in accordance with the "Labor Pension Act". The retirement benefits are paid by the Company with 6% of the monthly salary as pension, which is saved in a personal special account for pensions.

3. Status continuing education and training

In order to improve the quality and work skills of employees, the Company actively encourages employees to participate in various training courses. In addition to planning internal training courses for employees' professional knowledge needs and inheritance, employees must also apply for external education training according to business and work needs.

4. Negotiation between labor and employer

The Company's labor-management philosophy is based on harmony, and so far no major labor disputes have occurred.

5. Various employee rights protection measures

The Company's protection of employees' rights and interests is based on laws and regulations. In addition, the Company also has written measures to clearly define employees' rights and obligations to protect employees' rights and interests.

- (II) List any losses suffered by the company in the most recent 2 fiscal years and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: There is not incidence of labor dispute in the most recent 2 fiscal years and up to the printing date of the annual report.

6. Information security management

- (I) List the information security risk management framework, the information security policy, the specific management plan and the resources invested in the information security management, etc.

1. Information security risk management framework: ISO27001 ISMS.

2. Information security policy: everyone is responsible for the information security.

3. Specific management plan: ISO27001 ISMS Manual.

4. Invest resources in security management: Information Technology Dept.

- (II) List the losses, possible impacts and countermeasures suffered from major information security incidents in the most recent year and up to the date of publication of the annual report. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated.: None.

7. Important Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Contract of product procurement	ASUSTeK Computer Inc.	Starting Sep. 1, 2017	Procurement	None
Contract of product sales	Wincor	Starting Nov. 03, 2015	Sales	None
Contract of product supply	NCR	Starting Nov. 29, 2016	Sales	None

V. Review of financial conditions, financial performance, and risk management

1. Financial Analysis

Unit: NT\$ thousand

Item \ Year	2023	2024	Difference	
			Amount	Rate of change (%)
Current assets	7,387,004	7,337,400	(49,604)	(0.67)
Property, plant, and equipment	1,519,684	1,388,010	(131,674)	(8.66)
Intangible assets	700,153	628,111	(72,042)	(10.29)
Other assets	4,770,817	4,972,721	201,904	4.23
Total assets	14,377,658	14,326,242	(51,416)	(0.36)
Current liabilities	1,697,478	1,650,109	(47,369)	(2.79)
Non-current liabilities	558,785	567,666	8,881	1.59
Total liabilities	2,256,263	2,217,775	(38,488)	(1.71)
Share capital	1,604,078	1,694,512	90,434	5.64
Capital reserve	6,421,702	6,412,230	(9,472)	(0.15)
Retained earnings	1,921,867	1,846,093	(75,774)	(3.94)
Other equity	62,953	146,554	83,601	132.80
Non-controlling interests	2,110,795	2,009,078	(101,717)	(4.82)
Total shareholders' equity	12,121,395	12,108,467	(12,928)	(0.11)
<p>1.The annual report shall list the main reasons for any material change in the company's assets, liabilities, or equity during the past 2 fiscal years, and describe the effect thereof (For changes exceeds 20% or amounts to over NT\$ 10 million, explanation shall be provided): The increase in other equity is due to the recognition of Exchange differences arising from the translation of financial statements of foreign operations recognized in the current period, and unrealized gains and losses on financial assets measured at fair value through other comprehensive income.</p> <p>2.Measures to be taken in response: no significant adverse impact on the Company.</p>				

2. Operation results Analysis

Unit: NT\$ thousand

Item \ Year	2023	2024	Increase (decrease)	Rate of change (%)
Operating revenue - net	8,073,203	7,186,031	(887,172)	(10.99)
Operating cost	5,238,829	4,607,399	(631,430)	(12.05)
Operating gross profit	2,834,374	2,578,632	(255,742)	(9.02)
Operating expenses	1,827,951	2,030,784	202,833	11.10
Net Operating Income	1,006,423	547,848	(458,575)	(45.56)
Non-operating revenues and expenses	434,350	802,139	367,789	84.68
Earnings before tax	1,440,773	1,349,987	(90,786)	(6.30)
Income tax expense	273,523	210,567	(62,956)	(23.02)
Current period net profit	1,167,250	1,139,420	(27,830)	(2.38)
<p>1. The annual report shall list the main reasons for any material change in the company's operating revenues, operating income, or income before tax during the past 2 fiscal years, and describe the effect thereof (For changes exceeds 20% or amounts to over NT\$ 10 million, explanation shall be provided).</p> <p>(1) Decrease in Net Operating Income: Due to decrease in operating revenue in 2024.</p> <p>(2) Increase in Non-operating revenues and expenses: Mainly attributed to the increase in valuation gains on financial assets measured at fair value through profit or loss, gain on exchange of foreign currency, and interest income.</p> <p>(3) Decrease in income tax expense: due to decrease in net income before tax.</p> <p>2. Sales volume forecast and the basis therefor, and describe the effect upon the company's financial operations as well as measures to be taken in response: As the Company has not prepared and announced financial forecasts, the expected sales volume and basis are not applicable, and there has no significant irregularities in the Company 's overall performance, so there is no need to formulate a plan.</p>				

3. Cash Flow Analysis

(I) Analysis of cash flow changes during the most recent fiscal year

Unit: NT\$ thousand

Item \ Year	2023	2024	Increase (decrease)	Variation Ratio (%)
Operating activities	2,066,827	1,126,830	(939,997)	(45.48)
Investing activities	985,443	40,374	(945,069)	(95.90)
Financing activities	(923,044)	(1,301,906)	(378,862)	41.04
Net cash inflow (outflow)	2,113,773	(77,776)	(2,191,549)	(103.68)
Analysis of variance in cash flows: (1) Operating activities: Mainly due to the increase in Inventory in 2024. (2) Investing activities: Mainly due to no new cash acquisitions in 2024 and the acquisition of financial assets measured at fair value through profit or loss. (3) Financing activities: Primarily attributable to the increase in cash dividends distributed and the cash capital reduction by a subsidiary.				

(II) Corrective measures to be taken in response to illiquidity: Not applicable.

(III) Liquidity analysis for the coming year:

Unit: NT\$ thousand

Opening cash balance	Expected net cash flow from operating activities for the year	Expected net cash inflow (outflow) from financing activities for the year	Expected cash surplus (deficit)	Remediation measures against expected cash flow deficit	
				Investment plans	Financing plans
4,270,200	786,656	(881,270)	4,175,586	-	-
1. Cash flow analysis for the next year: (1) Operating activities: Mainly the increase in expected operating revenue and profit for the coming year. (2) Investing activities: There is no proposed major investing activities in the coming year. (3) Financing activities: Mainly the distribution of cash dividends. 2. Remediation measures against expected cash flow deficit: None					

4. Major Capital Expenditure Items: None.

5. Investment Policy in Last Year, Main Causes for Profits or Losses; Improvement Plans and the Investment Plans for the Coming Year

(1) Reinvestment policies:

The Company's current reinvestment policies are mainly business-related, and the relevant executive departments follow the internal control system "Investment cycle", "Procedures for transaction between group enterprise, specific company and related party" and "Procedures for Acquisition or Disposal of Assets (including Derivatives)". The above measures or procedures are discussed and approved by the Board Meeting or Shareholders' Meeting.

(2) Investments in other companies for the most recent fiscal year, the main reasons for profit/losses resulting therefrom, plans for improvement thereto:

The investments under equity method of the Company and its subsidiaries are for long-term strategic purposes. In 2024, the investment under equity method made a gain of \$142,344 thousand. In the future, the Company will continue with mainly long-term strategic investment and continue to carefully evaluate the reinvestment plans.

(3) Investment plans for the coming fiscal year: None.

6. Risk management analysis

(I) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

1. Impacts of interest rates on the Company's earnings, and the responsive measures

The interest expenses of the Company and its subsidiaries in 2024 and 2023 were \$8,582 thousand and \$6,462 thousand, respectively, which accounted for 0.64% and 0.45% of the pre-tax net profit, respectively. The interest expense accounts for a small percentage of net profit before tax, indicating that the changes in interest rate have no significant impact on the Company's operations. The Company regularly assesses the interest rate of bank loans and maintains close contact with banks to obtain a more favorable interest rate to reduce interest expenses. In addition, the Company's financial stability and good creditworthiness are based on the principle of conservative and stable capital planning. It is expected that future interest rate changes will not have a significant impact on the overall operation of the Company.

2. Impacts of exchange rates on the Company's earnings, and the responsive measures

The net foreign currency exchange gains (loss) of the Company and its subsidiaries in 2024 and 2023 were \$204,555 thousand and \$(14,497) thousand respectively, accounting for 2.85% and (0.18%) of the operating income. The changes of exchange rate have no significant effect on the Company.

3. Impacts of inflation on the Company's earnings, and the responsive measures

The products of the Company and its subsidiaries are not directly sold to general consumers, so inflation has no direct and immediate impact on the Company and its subsidiaries, and there has been no significant impact of inflation on profit or loss in the most recent year and as of the printing date of the annual report.

(II) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

The Company and its subsidiaries are committed to the operation of the industry and are based on the principle of conservatism and stability. In the most recent year and up to the printing date of the annual report, the Company has not engaged in high-risk, high-leverage investments. When granting loans to others, making endorsement or guarantees, and handling derivatives transactions, the Company follows "Procedures for Management of Loans to Others", "Procedures for Management of Endorsement and Guarantees" and "Procedures for Acquisition or Disposal of Assets".

(III) Future Research and Development Plans and Projected Expenses

1. Future R&D plans are as follows:

For a long time, the industrial PC market has experienced steady growth, and related product offerings have become increasingly comprehensive. The company's R&D approach involves a dual focus on technology and product development. On the technology front, in addition to pursuing design innovation and enhancement of core technologies, the company conducts research into specialized technologies required by various vertical markets. This research encompasses areas such as POS, ATM, industrial automation, IoT, artificial intelligence, machine vision, and edge computing. The results of this research are integrated into the

design of various new products, continuously strengthening their uniqueness and maintaining the company's technological leadership, ultimately increasing product market share.

Beyond meeting the diverse needs for customized and cost-competitive products, the company collaborates with tier-one customers in its existing and target industries to co-develop next-generation products. The company provides continuously improving R&D, quality assurance, and innovative manufacturing processes, increasing the number of collaborative projects and overall shipment volumes with tier-one customers, achieving a mutually beneficial outcome. With the advent of Industry 4.0, the Internet of Things, and the rapid development of artificial intelligence, new opportunities and business potential have emerged. The company is actively investing in related industry chains such as smart retail, smart manufacturing, smart cities, and network security. Furthermore, the company has established partnerships with industry leaders like Intel and NVIDIA, utilizing their advanced chips to develop application solutions for various vertical markets, and creating industrial-grade innovative development platforms and artificial intelligence modules and system products. Working alongside innovative industry peers and developers, the company is expanding the IoT product platform and collaborating with partners' sales teams to jointly develop innovative IoT and AI applications in sectors such as retail, construction, and finance.

On the product side, the company's product line is extensive. Board-level products include industrial-grade motherboards, embedded single-board computers (SBCs), Computer-on-Modules (COMs), industrial-grade innovative development platforms, and artificial intelligence modules. System-level products encompass two main categories: touch panel PCs and embedded controllers. Touch panel PCs focus on HMI touch panel PCs and industrial-grade touch panel PCs, with a comprehensive range of screen sizes including 10", 12", 15", 15.6", 17", 19", and 21.5", and the OMNI series of modular touch panel PC product lines supporting full-flat resistive/capacitive touch and more than eight expansion modules. Embedded controllers primarily consist of fanless embedded BOX PCs, featuring the BOXER product series, with sub-series such as in-vehicle computers, machine vision computers, and AI edge computing platforms. The company's rugged portable products, in response to industry needs, integrate various relevant technologies, including waterproof, dustproof, and drop-resistant mechanical designs, and highly integrated sensor configurations. These products support both CISC and RISC hardware platforms and Microsoft and Android operating systems, offering features like RFID/NFC/Barcode Reader/Magnetic Card Reader/Multi-sensor capabilities to meet the broad demands of customers for mobile and portable products. Additionally, the SmartPoS series of products integrates various payment technologies to meet the growing demand for mobile payments. Network security products include rackmount enterprise-class modular high-performance network security appliances, mainstream network security appliances, and desktop network security appliances, supporting a wide range of high-speed transmission interfaces, from traditional copper to fiber optic. For IoT products, in addition to IoT gateways, various sensors, and communication modules, the company undertakes customized projects, including smart city, smart transportation, and smart manufacturing initiatives. In terms of artificial intelligence, besides the widespread application in various boards and system AI modules, the company also offers AI edge computing systems using chips from leading manufacturers such as NVIDIA and Google, creating a comprehensive product line for AI edge computing. In the future, the company will strengthen software and hardware integration to provide more complete solutions, and it is actively researching applications of generative AI in edge computing.

2. Estimated R&D expenses are as follows:

The estimated R&D expenses to be invested by the Company and its subsidiaries will be based on the development of new products and technologies. In order to ensure and enhance the Company's competitive advantage, the Company continues to invest manpower and material resources in the development of new products, and applies adjustments at any time according to operating conditions and needs. This is to ensure that a high competitive advantage and flexibility to comply with market needs at any time, and thus to strengthen R&D output of new products. The Company has proposed to invest \$520,000 in R&D by the end of 2025.

(IV) Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

The operation of the Company and its subsidiaries are in compliance with relevant laws and regulations at home and abroad, and are always updated with the latest changes in the legal environment at home and abroad. There has been no effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad in the most recent fiscal year and as of the printing date of the annual report.

(V) Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales:

The Company and its subsidiaries always stay updated to the changes in the evolution of technology development. The company grasps the industry dynamics from the sales side to make relevant plans and countermeasures, and continuously invests in technology R&D and technology improvements to consolidate its own competitiveness. In the most recent year and as of the printing date of the annual report, there have been no technological changes or industrial changes that have had a significant impact on the Company's financial business.

(VI) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures.

The Company and its subsidiaries uphold the corporate mission of continuous innovation and integrity management, to meet the needs of customers. The Company's own brand "AAEON" has won praise and recognition from most customers and has a good corporate image. Therefore, in the most recent year and as of the printing date of the annual report, there was no change in corporate image and crisis.

(VII) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: None.

(VIII) Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans: None.

(IX) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

1. Sales operations

The proportion of sales to major customers of the Company and its subsidiaries including system integrators, distributors and manufacturers in the past two years has not exceeded 20%, and there is no concentration of sales.

2. Purchase operations

The Company and its subsidiaries' suppliers consist of distributors and component suppliers, mainly providing industrial motherboards and system products. In the past two years, no major supplier accounted for more than 20% of total purchases. As of now, the supply situation remains stable, with no shortages or disruptions that have adversely affected the Company's operations.

(X) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: None.

(XI) Effects of, Risks Relating to and Response to the Changes in Management Rights None.

(XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the printing date of the annual report: None.

(XIII) Cyber attack risk:

The company has established a complete network and computer security protection system with ISO27001 certification, to control and maintain the Company's operations, manufacturing, accounting and other important enterprise functions. The Company constructs a high-availability system and a remote host backup mechanism to ensure service operations and data, and transfers the backup data to remote space for storage. The Company also strengthens various computer room simulation tests and emergency response exercises to ensure the normal operation of the information system and data preservation. This is to reduce the risk of system interruption caused by unwarned natural disasters and human negligence to meet the expected target time for system recovery.

However, if a cyber attack from any third party intends to paralyze the system, there is no guarantee that the computer system can completely avoid illegal attack at the Company's internal network system, and the damage to the Company's operations and the Company's goodwill. A severe cyber attack might result in loss of data in the Company's system, and the production line may be shut down indefinitely because the attack is not resolved.

The Company reviews and evaluates its network security regulations and procedures every year to ensure the appropriateness and effectiveness. However, there is no guarantee that the Company will not be affected by new risks and attacks in the rapidly changing network security environment.

Cyber attacks may also attempt to steal the company's business secrets, intellectual property or other confidential information, such as proprietary information of customers or other interested parties, as well as employees' personal information. Malicious hackers can also insert computer viruses, destructive software or ransomware into the company's network system, to interfere with the Company's operations, take control of the Computer system to extort the Company, or spy on confidential information.

In such cases, the Company may have to compensate customers for losses due to delays or interruption of orders. The Company may need to bear huge costs to implement remedies and improvement measures to strengthen the Company's network security system, or may also cause the Company to assume significant legal responsibility or regulatory investigations caused by the leakage of information about customers or third parties to which the Company has confidential obligations.

In the year 2024 and as of the printing date of the annual report, the Company did not experience any major cyber attacks or incidents that have or may have a significant adverse impact on the Company's business and operations, and has not been involved in any litigation case or Regulatory investigation.

In addition, the Company needs to share highly sensitive and confidential information to some of the third-party vendors that it employs to provide services of the Company and its global relationship companies so that they can provide related services. Although the Company requires its third-party service vendors to comply with confidentiality and / or network security regulations

in service contracts, it cannot guarantee that every third-party service vendor will perform or strictly abide by these obligations.

Internal network systems and / or external cloud computing networks (such as servers) maintained by the aforementioned service vendors and / or their contractors may also be at risk of cyber attacks. If the Company or service provider cannot timely resolve the technical problems caused by these cyber attacks, or ensure the reliability and availability of data of the Company's customers or other third parties, or control the computer systems of the Company or its service providers, these cyberattacks can seriously undermine the Company's commitment to customers and other stakeholders, and the Company's operating results, financial status, prospects and reputation may also be materially and adversely affected.

(XIV) Other Major Risks: None.

7. Other important disclosures
None.

VI. Special Disclosure

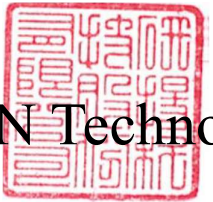
1. Summary of Affiliated companies

- (I) Affiliates consolidated business report: Please refer to the Market Observation Post System (MOPS) / E-Books / Affiliated Enterprises Disclosure section for details.
- (II) Consolidated financial reports auditor's report: Please refer to the Market Observation Post System (MOPS) / E-Books / Affiliated Enterprises Disclosure section for details.
- (III) Consolidated financial statements of affiliated enterprises: Please refer to the Market Observation Post System (MOPS) / E-Books / Affiliated Enterprises Disclosure section for details.

For the relevant information mentioned above, please refer to the following website:

https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=6579&year=&mtype=K&isnew=true

2. Private Placement of Securities in the Most Recent Year and up to the Date of Publication of the Annual Report, and the Status of Fund Utilization and Progress of Implementation Plans
None.
3. Other supplementary information
None.
4. Any Events in the most recent fiscal year and as of the printing date of this annual report that had significant impacts on shareholders' right or security prices as stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Law of Taiwan
None.

AAEON Technology Inc.

Chairman: Yung-Shun Chuang 