

AAEON Technology Inc and Subsidiaries  
Consolidated Financial Statements  
With Independent Auditor's Report Thereon  
December 31, 2025 and 2024  
(Stock Code: 6579)

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Contact Number: (02)8919-1234

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

AAEON Technology Inc. and Subsidiaries  
Consolidated Financial Statements  
With Independent Auditors' Report Thereon December 31, 2025 and 2024  
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AAEON Technology Inc. and Subsidiaries

REPRESENTATION LETTER

The entities that are required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2025 are all the same as those included in the consolidated financial statements of AAEON Technology Inc. and its subsidiaries prepared in conformity with the International Financial Reporting Standard 10“Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements of AAEON Technology Inc. and its subsidiaries. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Hereby certify.

Company Name: AAEON Technology Inc.

Representative: Yung-Shun Chuang



February 25, 2026

## INDEPENDENT AUDITORS' REPORT

(2026) Tsai-Shen-Bao-Tzi No. 25003438

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

### **Opinion**

We have audited the accompanying consolidated balance sheets of AAEON Technology Inc. and its subsidiaries (the "Group") as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of the other independent auditors, (please refer to the "Other Matters"), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025, and 2024, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

### **Basis for opinion**

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

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audits of the Group's 2025 consolidated financial statements. These matters were addressed in the context of our audits of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements in the current period are stated as follows:

#### **Existence of sales revenue**

##### Description

Refer to Note 4(31) for the accounting policies on revenue recognition, and Note 6(20) for the details of operating revenue.

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

#### How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Assess and test the financial statements, the internal control procedures of sales transactions are based on the Group's internal control system.
2. Acquire and sample-check relevant documents of the aforementioned sales revenue transactions to confirm that customers have obtained control of the goods and assumed the risks of the goods before recognizing revenue.

#### **Evaluation of inventories**

##### Description

Refer to Note 4(14) for the accounting policies on the evaluation of inventories; Note 5 for the uncertainty of accounting estimate and assumptions for evaluation of inventories, and Note 6(6) for the details of inventory.

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

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

#### How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

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

#### **Other matters – Reference to the audits of other independent auditors**

We did not audit the financial statement of certain investments accounted for under equity method. These investments accounted for under equity method amountded to \$3,797,851 thousand and \$4,021,229 thousand, constituting 25.55% and 28.07% of total assets as of December 31, 2025 and 2024, respectively, and the comprehensive income of subsidiaries, associates, and joint ventures accounted for under equity method amounted to \$15,444 thousand and \$189,468 thousand, respectively, constituting for 1.95% and 15.19% of total comprehensive income for the years ended December 31,2025 and 2024 respectively. The financial statements of these investments accounted for under equity method were audited by other independent auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included

in the separate financial statements and information disclosed relative to these investments, is based solely on the reports of other independent auditors.

### **Other matters – Parent company only financial reports**

We have audited and expressed an unmodified opinion with Other Matters section on the parent company only financial statements of AAEON Technology Inc. as of and for the years ended December 31, 2025 and 2024.

### **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, as endorsed by Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the Audit Committee, are responsible for overseeing the Group’s financial reporting process.

### **Independent auditor’s responsibilities for the audit of the consolidated financial statements**

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

As part of an audit in accordance with Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2025 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PwC Taiwan  
Certified Public Accountant  
Chang, Shu-Chiung

Hsieh, Wei-Li.

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

Securities and Futures Commission, The Ministry of Finance  
Approval reference: Jin-Guan-Zheng-Shen No. 1140351490

February 25, 2026

**Note to Readers**


The accompanying consolidated financial statements are intended only to present the Consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China. The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.



AAEON Technology Inc. and Subsidiaries  
CONSOLIDATED BALANCE SHEET  
DECEMBER 31, 2025 AND 2024  
 (Expressed In Thousands of New Taiwan Dollars)

	Assets	Notes	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
<b>Current asset</b>						
1100	Cash and cash equivalents	6. (1)	\$ 2,429,992	16	\$ 4,270,200	30
1110	Financial asset at fair value through profit or loss - current	6. (2) and 8	34,257	-	625,020	4
1136	Financial assets measured at amortized cost-current	6. (4) and 8	1,167,199	8	90,552	1
1150	Net notes receivable	6. (5)	39,264	-	45,323	-
1170	Net accounts receivable	6. (5) and 7	1,198,062	8	832,074	6
1200	Other receivables	7	54,144	1	27,186	-
1220	Current tax assets		37,760	-	25,397	-
130X	Inventories	6. (6)	2,170,440	15	1,319,736	9
1410	Prepayments		148,557	1	96,765	1
1479	Other current liabilities - other		3,198	-	5,147	-
11XX	<b>Total current assets</b>		<u>7,282,873</u>	<u>49</u>	<u>7,337,400</u>	<u>51</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss - non-current	6. (2)	1,006,145	7	121,611	1
1517	Financial assets at fair value through other comprehensive income - non-current	6. (3)	186,391	1	151,048	1
1550	Investments accounted for under equity method	6. (7), 7	3,831,603	26	4,054,764	28
1600	Property, plant and equipment	6. (8), and 8	1,358,847	9	1,388,010	10
1755	Right-of-use assets	6. (9)	174,855	1	196,667	1
1760	Investment property	6.(10) and 8	333,360	2	342,425	3
1780	Intangible assets	6.(11) and 7	550,484	4	628,111	4
1840	Deferred tax assets	6. (27)	70,013	-	70,435	1
1900	Other non-current assets	6. (15) and 8	71,775	1	35,771	-
15XX	<b>Total non-current assets</b>		<u>7,583,473</u>	<u>51</u>	<u>6,988,842</u>	<u>49</u>
1XXX	<b>Total assets</b>		<u>\$ 14,866,346</u>	<u>100</u>	<u>\$ 14,326,242</u>	<u>100</u>

(Continued)

  
**AAEON Technology Inc. and Subsidiaries**  
**CONSOLIDATED BALANCE SHEET**  
**DECEMBER 31, 2025 AND 2024**  
 (Expressed In Thousands of New Taiwan Dollars)

	Liabilities and equity	Notes	December 31, 2025		December 31, 2024	
			Amount	%	Amount	%
	<b>Current liability</b>					
2100	Short-term borrowings	6. (12) and 8	\$ 282,364	2	\$ 80,000	1
2120	Financial liabilities at fair value through profit or loss - current	6. (2)	287	-	391	-
2130	Contract liability - current	6. (20)	270,045	2	233,296	2
2150	Notes payables		18,178	-	-	-
2170	Accounts payables		999,416	7	383,504	3
2180	Accounts payables-related parties	7	20,563	-	75,241	-
2200	Other payables	6. (14), and 7	635,313	4	667,921	5
2230	Current tax liabilities		82,616	1	60,537	-
2250	Provisions - current		33,830	-	33,790	-
2280	Lease liability - current		69,488	1	63,746	-
2320	Long-term liabilities-current Portion	6. (13), 8	10,823	-	10,612	-
2399	Other current liabilities - other		47,237	-	41,071	-
21XX	<b>Total current liabilities</b>		<u>2,470,160</u>	<u>17</u>	<u>1,650,109</u>	<u>11</u>
	<b>Non-current liabilities</b>					
2527	Contract liability - non-current	6. (20)	55,381	-	56,211	-
2540	Long-term borrowings	6. (13), 8	113,123	1	123,947	1
2550	Provisions - non-current		13,361	-	13,359	-
2570	Deferred tax liabilities	6. (27)	219,343	2	262,468	2
2580	Lease liability - non-current		70,782	-	97,179	1
2670	Other non-current liabilities - other		14,382	-	14,502	-
25XX	<b>Total non-current liabilities</b>		<u>486,372</u>	<u>3</u>	<u>567,666</u>	<u>4</u>
2XXX	<b>Total liabilities</b>		<u>2,956,532</u>	<u>20</u>	<u>2,217,775</u>	<u>15</u>
	<b>Equity</b>					
	<b>Equity attributable to owners of parent</b>					
	<b>Share capital</b>	6. (17)				
3110	Share capital-common stock		1,694,512	11	1,693,692	12
3140	Advance receipts for share capital		-	-	820	-
	<b>Capital surplus</b>	6. (18)				
3200	Capital surplus		6,463,625	44	6,412,230	45
	<b>Retained earnings</b>	6. (19)				
3310	Legal reserve		771,315	5	674,628	5
3320	Special reserve		12,359	-	12,359	-
3350	Undistributed retained earnings		895,509	6	1,159,106	8
	<b>Other Equity</b>					
3400	Other Equity		117,867	1	146,554	1
31XX	<b>Total equity attributable to owners of parent</b>		<u>9,955,187</u>	<u>67</u>	<u>10,099,389</u>	<u>71</u>
36XX	<b>Non-controlling interests</b>	4. (3)	<u>1,954,627</u>	<u>13</u>	<u>2,009,078</u>	<u>14</u>
3XXX	<b>Total equity</b>		<u>11,909,814</u>	<u>80</u>	<u>12,108,467</u>	<u>85</u>
	<b>Significant contingent liabilities and unrecognized contract commitments</b>					
	<b>Significant events after the balance sheet date</b>					
3X2X	<b>Total liabilities and equity</b>		<u>\$ 14,866,346</u>	<u>100</u>	<u>\$ 14,326,242</u>	<u>100</u>

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

Chairman: Yung-Shun Chuang



Manager: Chien-Hung Lin



Accounting Supervisor: Jen-Chung Wang



  
 AAEON Technology Inc. and Subsidiaries  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
 (Expressed In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Item	Notes	2025		2024	
		Amount	%	Amount	%
4000 <b>Operating income</b>	6. (20), 7	\$ 8,625,383	100	\$ 7,186,031	100
5000 <b>Operating cost</b>	6. (6) (25) (26), and 7	( 5,742,008 )	( 67 )	( 4,607,399 )	( 64 )
5900 <b>Operating profit</b>		<u>2,883,375</u>	<u>33</u>	<u>2,578,632</u>	<u>36</u>
<b>Operating expenses</b>	6. (25)(26) and 7				
6100 Selling expense		( 830,222 )	( 10 )	( 764,222 )	( 10 )
6200 General and administrative expenses		( 598,541 )	( 7 )	( 553,126 )	( 8 )
6300 Research and development expenses		( 777,919 )	( 9 )	( 709,691 )	( 10 )
6450 Expected credit impairment loss or (gain)	12. (2)	( 43,928 )	-	( 3,745 )	-
6000 <b>Total operating expense</b>		( 2,250,610 )	( 26 )	( 2,030,784 )	( 28 )
6900 <b>Operating income</b>		<u>632,765</u>	<u>7</u>	<u>547,848</u>	<u>8</u>
<b>Non-operating income and expenses</b>					
7100 Interest income	6. (21)	79,391	1	145,009	2
7010 Other income	6. (22)	44,776	-	36,529	-
7020 Other gains and losses	6. (23)	154,025	2	486,839	7
7050 Financial costs	6. (24)	( 9,409 )	-	( 8,582 )	-
7060 Share of the profit of the associates and joint ventures accounted for under equity method	6. (7)	<u>47,734</u>	<u>1</u>	<u>142,344</u>	<u>2</u>
7000 <b>Total non-operating income and expenses</b>		<u>316,517</u>	<u>4</u>	<u>802,139</u>	<u>11</u>
7900 <b>Profit before income tax</b>		949,282	11	1,349,987	19
7950 Income tax expense	6. (27)	( 134,866 )	( 2 )	( 210,567 )	( 3 )
8200 <b>Profit for the year</b>		<u>\$ 814,416</u>	<u>9</u>	<u>\$ 1,139,420</u>	<u>16</u>

(Continued)

AAEON Technology Inc. and Subsidiaries  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
(Expressed In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Item	Notes	2025		2024	
		Amount	%	Amount	%
<b>Other comprehensive income (loss)</b>					
<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>					
8311	Gains (losses) on remeasurements of defined benefit plans	\$ 4,395	-	\$ 950	-
8316	Unrealized gains(losses) on financial assets at FVOCI	35,343	-	3,676	-
8320	Share of other comprehensive income of associates and joint ventures accounted for under equity method - not to be reclassified to profit or loss in subsequent periods	( 31,281 )	-	35,322	-
8349	Income tax relating to items that will not be reclassified	( 879 )	-	( 190 )	-
8310	<b>Total amount not to be reclassified to profit or loss in subsequent periods</b>	<u>7,578</u>	<u>-</u>	<u>39,758</u>	<u>-</u>
<b>To be reclassified to profit or loss in subsequent periods</b>					
8361	Financial statements translation differences of foreign operations	( 31,717 )	-	75,996	1
8370	Share of other comprehensive income of associates and joint ventures accounted for under equity method - to be reclassified to profit or loss in subsequent periods	( 6,565 )	-	7,104	-
8399	Income tax relating to the components of other comprehensive income	6,343	-	( 15,199 )	-
8360	<b>Total amount to be reclassified to profit or loss in subsequent periods</b>	<u>( 31,939 )</u>	<u>-</u>	<u>67,901</u>	<u>1</u>
8300	<b>Net Other comprehensive income</b>	<u>\$ 24,361</u>	<u>-</u>	<u>\$ 107,659</u>	<u>1</u>
8500	<b>Total comprehensive income</b>	<u>\$ 790,055</u>	<u>9</u>	<u>\$ 1,247,079</u>	<u>17</u>
<b>Net income attributable to:</b>					
8610	Shareholders of the parent	\$ 705,764	8	\$ 966,877	14
8620	Non-controlling interest	108,652	1	172,543	2
		<u>\$ 814,416</u>	<u>9</u>	<u>\$ 1,139,420</u>	<u>16</u>
<b>Total comprehensive income attributable to:</b>					
8710	Shareholders of the parent	\$ 677,077	8	\$ 1,050,478	14
8720	Non-controlling interest	112,978	1	196,601	3
		<u>\$ 790,055</u>	<u>9</u>	<u>\$ 1,247,079</u>	<u>17</u>
<b>Basic earnings per share</b>					
9750	<b>Total basic earnings per share</b>	\$ 5.62		\$ 7.72	
<b>Diluted earnings per share</b>					
9850	<b>Total diluted earnings per share</b>	\$ 5.58		\$ 7.67	

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

Chairman: Yung-Shun Chuang

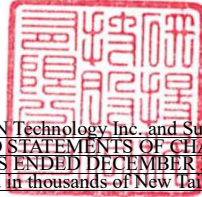


Manager: Chien-Hung Lin



Accounting Supervisor: Jen-Chung Wang

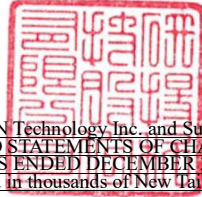




AAEON Technology Inc. and Subsidiaries  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
 (Expressed in thousands of New Taiwan Dollars)

	Notes	Equity attributable to owners of the parent												
		Share Capital		Retained Earnings					Other Equity				Non-controlling interests	Total
		Common share capital	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Undistributed retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total			
<b>For the year ended December 31, 2024</b>														
Balance at January 1, 2024		\$ 1,602,418	\$ 1,660	\$ 6,421,702	\$ 577,944	\$ 12,359	\$1,331,564	(\$ 20,663)	\$ 85,628	(\$ 2,012)	\$ 10,010,600	\$ 2,110,795	\$12,121,395	
Profit to the period		-	-	-	-	-	966,877	-	-	-	966,877	172,543	1,139,420	
Other comprehensive income		-	-	-	-	-	-	45,873	37,470	258	83,601	24,058	107,659	
Total comprehensive income		-	-	-	-	-	966,877	45,873	37,470	258	1,050,478	196,601	1,247,079	
Appropriations of 2023 earnings:	6. (19)													
Legal reserve		-	-	-	96,684	-	( 96,684)	-	-	-	-	-	-	
Cash dividends		-	-	-	-	-	( 1,042,651)	-	-	-	( 1,042,651)	-	( 1,042,651)	
Capital surplus-cash dividend	6. (17) (18)	80,204	-	( 80,204)	-	-	-	-	-	-	-	-	-	
Recognition of changes in ownership interest in subsidiary	6. (18)	-	-	( 1,312)	-	-	-	-	-	-	( 1,312)	1,312	-	
Change in associates and joint ventures accounted for under equity method	6. (7) (18)	-	-	17,085	-	-	-	-	-	-	17,085	-	17,085	
Share-based Payment	6. (16) (18)	-	-	747	-	-	-	-	-	-	747	795	1,542	
Employee stock options exercised	6. (16) (18)	11,070	( 840)	54,212	-	-	-	-	-	-	64,442	4,669	69,111	
Changes in non-controlling interests-cash dividends	4 (3)	-	-	-	-	-	-	-	-	-	-	( 183,415)	( 183,415)	
Changes in non-controlling interests- Subsidiary Capital Reduction by Cash		-	-	-	-	-	-	-	-	-	-	( 121,679)	( 121,679)	
Balance at December 31, 2024		\$ 1,693,692	\$ 820	\$ 6,412,230	\$ 674,628	\$ 12,359	\$1,159,106	\$ 25,210	\$ 123,098	(\$ 1,754)	\$10,099,389	\$ 2,009,078	\$12,108,467	

(Continued)



AAEON Technology Inc. and Subsidiaries  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
 (Expressed in thousands of New Taiwan Dollars)

	Notes	Equity attributable to owners of the parent												
		Share Capital		Retained Earnings					Other Equity				Non-controlling interests	Total
		Common share capital	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Undistributed retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total			
<b>For the year ended December 31, 2025</b>														
Balance at January 1, 2025		\$ 1,693,692	\$ 820	\$ 6,412,230	\$ 674,628	\$ 12,359	\$1,159,106	\$ 25,210	\$ 123,098	( \$ 1,754)	\$10,099,389	\$ 2,009,078	\$12,108,467	
Profit for the period		-	-	-	-	-	705,764	-	-	-	705,764	108,652	814,416	
Other comprehensive income		-	-	-	-	-	-	( 20,337)	( 9,574)	1,224	( 28,687)	4,326	( 24,361)	
Total comprehensive income		-	-	-	-	-	705,764	( 20,337)	( 9,574)	1,224	( 28,687)	112,978	790,055	
Appropriations of 2024 earnings:	6. (19)	-	-	-	-	-	-	-	-	-	-	-	-	
Legal reserve		-	-	-	96,687	-	( 96,687)	-	-	-	-	-	-	
Cash dividends		-	-	-	-	-	( 872,674)	-	-	-	( 872,674)	-	( 872,674)	
Recognition of changes in ownership interest in subsidiary	6. (18)	-	-	( 6,347)	-	-	-	-	-	-	( 6,347)	6,347	-	
Change in associates and joint ventures accounted for under equity method	6. (7) (18)	-	-	4,163	-	-	-	-	-	-	4,163	( 2,078)	2,085	
Share-based Payment	6. (16) (18)	-	-	35,783	-	-	-	-	-	-	35,783	1,981	37,764	
Employee stock options exercised	6. (16) (18)	820	( 820)	17,796	-	-	-	-	-	-	17,796	23,711	41,507	
Changes in non-controlling interests-cash dividends	4 (3)	-	-	-	-	-	-	-	-	-	-	( 189,657)	( 189,657)	
Changes in non-controlling interests- Disposal of Subsidiary		-	-	-	-	-	-	-	-	-	-	( 7,733)	( 7,733)	
Balance at December 31, 2025		\$ 1,694,512	\$ -	\$ 6,463,625	\$ 771,315	\$ 12,359	\$ 895,509	\$ 4,873	\$ 113,524	( \$ 530)	\$ 9,955,187	\$ 1,954,627	\$11,909,814	

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

Chairman: Yung-Shun Chuang



Manager: Chien-Hung Lin



Accounting Supervisor: Jen-Chung Wang



  
 AAEON Technology Inc. and Subsidiaries  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
 (Expressed in thousands of New Taiwan Dollars)

	Notes	For the years ended December 31,	
		2025	2024
<b>Cash flows from operating activities</b>			
Profit before tax		\$ 949,282	\$ 1,349,987
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6 (8) (9) (25)	148,807	147,521
Depreciation expense of investment property (other gains and losses)	6 (10) (23)	8,991	8,244
Amortization expenses	6 (25)	93,714	92,111
Expected credit impairment losses (gains)	12 (2)	43,928	3,745
Net gain from financial assets and liabilities at fair value through profit or loss	6 (2) (23)	( 289,806 )	( 218,181 )
Interest expenses	6 (24)	9,409	8,582
Interest income	6 (21)	( 79,391 )	( 145,009 )
Dividends income	6 (22)	( 20,756 )	( 15,290 )
Costs of share-based payment awards	6 (16)	37,764	1,542
Share of profit of associates accounted for under equity method	6 (7)	( 47,734 )	( 142,344 )
Losses on disposal of property, plant and equipment	6 (23)	18	883
Transferred to expenses and losses		172	-
Gain on lease modification	6. (9)(23)	( 171 )	( 542 )
Changes in operating assets and liabilities			
Net changes in operating assets			
Financial assets and liabilities at fair value through profit or loss		( 3,965 )	383
Notes and accounts receivable		( 405,525 )	51,121
Other receivables		( 30,325 )	( 2,563 )
Inventories		( 850,704 )	171,369
Prepayments		( 51,708 )	8,067
Other non-current assets		1,949	( 400 )
Net changes in operating liabilities			
Contract liability		35,919	5,257
Notes and accounts payable (including related-parties)		579,412	( 63,923 )
Other payables		( 44,520 )	( 2,228 )
Other current liabilities		6,166	( 6,870 )
Provisions for liabilities		42	( 8,877 )
Other non-current liabilities		( 120 )	( 1,595 )
Net cash from operating activities		90,848	1,240,990
Interest received		82,757	137,796
Interest paid		( 9,402 )	( 8,522 )
Income taxes received		3,894	-
Income taxes paid		( 165,221 )	( 243,834 )
Net cash flows from operating activities		2,876	1,126,430

(Continued)

AAEON Technology Inc. and Subsidiaries  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**  
(Expressed in thousands of New Taiwan Dollars)

	Notes	For the years ended December 31,	
		2025	2024
<b>Cash flows from investing activities</b>			
Acquired financial assets at fair value through profit or loss		\$ -	(\$ 50,000)
Disposal of financial assets at fair value through profit or loss		-	7,472
Acquired financial assets at fair value through other comprehensive income		-	( 78,615)
Acquired financial asset measured at amortized cost-current		( 1,165,654)	( 58,863)
Disposal of financial asset measured at amortized cost-current		89,568	30,677
Acquisition of investments accounted for under equity method	6 (7)	( 9,760)	( 3,548)
Acquisition of property, plant and equipment	6 (29)	( 37,993)	( 83,187)
Disposal of property, plant and equipment		32	427
Acquisition of intangible asset	6 (11)	( 16,110)	( 20,330)
Increase in other non-current assets		( 33,659)	( 8,109)
Dividends received		265,650	304,850
Net cash flows from investing activities		( 907,926)	40,774
<b>Cash flows from financing activities</b>			
Increase (decrease) in short-term borrowings	6 (30)	199,102	53,000
Reimbursement in long-term borrowings	6 (30)	( 10,613)	( 10,416)
Repayment of lease principal	6 (30)	( 72,724)	( 65,856)
Cash dividends paid	6 (19)	( 872,674)	( 1,042,651)
Changes in non-controlling interests - cash dividends for non-controlling interests	4 (3)	( 189,657)	( 183,415)
Employee share options exercised	6 (16)	41,507	69,111
Changes in non-controlling interests- Subsidiary Capital Reduction by Cash		-	( 121,679)
Changes in non-controlling interests- Disposal of Subsidiary Capital Reduction by Cash		( 7,733)	-
Net cash flows from financing activities		( 912,792)	( 1,301,906)
Effects due to changes in exchange rate		( 22,366)	56,926
Increase in cash and cash equivalents		( 1,840,208)	( 77,776)
Cash and cash equivalents at the beginning of periods		4,270,200	4,347,976
Cash and cash equivalents at the end of periods		\$ 2,429,992	\$ 4,270,200

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

Chairman: Yung-Shun Chuang




Manager: Chien-Hung Lin



Accounting Supervisor: Jen-Chung Wang



  
AAEON Technology Inc. and Subsidiaries  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024  
(Expressed in thousands of New Taiwan Dollars, except as of otherwise indicated)

I. Company Profile

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

II. Date and Procedures for the Authorization of Financial Reports

These consolidated financial reports were approved by the board of directors on February 25, 2026.

III. New or Revised Standards and Applied Interpretation

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

Standards or interpretations issued, revised or amended by IASB which are endorsed by FSC at 2025 are listed below:

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

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

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

New standards interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

Newly issued revised or amended standards and interpretations	Effective date issued by IASB
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

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

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

Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments. The IASB issued the amendments to: The update specifies that equity instruments designated as measured at fair value through other comprehensive income (FVOCI) with an irrevocable choice should disclose their fair value by category, rather than disclosing fair value information for each individual asset. Additionally, it should disclose the fair value gains and losses recognized in other comprehensive income during the reporting period, separately presenting the fair value gains and losses related to investments derecognized during the reporting period, as well as those related to investments still held as of the reporting period's end. Furthermore, it should disclose the cumulative gains or losses transferred to equity from investments derecognized during the reporting period.

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

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

<u>Newly issued revised or amended standards and interpretations</u>	<u>Effective date issued by IASB</u>
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
IFRS18, ‘Presentation and disclosure in financial statements’	January 1, 2027 (Note)
IFRS19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Amendments to IAS 21 – Lack of Exchangeability / Translation to a Hyperinflationary Currency	January 1, 2027

Note : The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment. IFRS 18, ‘Presentation and disclosure in financial statements’

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

IV. Summary of Significant Accounting Policies

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

(I) Compliance statement

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRSs), including International Accounting Standards, IFRIC Interpretations, and SIC Interpretations, as endorsed and issued by the Financial Supervisory Commission (FSC).

(II) Basis of preparation

1. Except for the following significant items, these consolidated financial statements have

been prepared under the historical cost convention:

- (1) Financial assets and financial liabilities (including derivatives) that have been measured at fair value through profit or loss.
  - (2) Financial assets and financial liabilities that have been measured at fair value through other comprehensive income.
  - (3) Defined benefit liabilities recognized at the net amount of pension fund assets less present value of defined benefit obligation.
2. The critical accounting estimates and assumptions used in preparation of financial statements and the critical judgements in applying the Group's accounting policies are disclosed in Note 5.

(III) Basis of consolidation

1. Preparation principle of consolidated financial statement:

- (1) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (2) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (3) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests.
- (4) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- (5) When the Group loses the control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

2. The subsidiaries included in the consolidated financial statements:

Investor	Investee	Business	Ownership interest		Notes
			2025/12/31	2024/12/31	
AAEON.	AAEON ELECTRONICS, INC. (AEI)	Sales of IPC and PC peripherals	100%	100%	
AAEON.	AAEON TECHNOLOGY CO., LTD (ATCL)	Investment of IPC and interface card	100%	100%	
AAEON.	AAEON TECHNOLOGY (EUROPE) B.V.(ANI)	Sales of IPC and PC peripherals	100%	100%	
AAEON.	AAEON INVESTMENT, CO., LTD. (AAEONI)	Investment of IPC and PC peripherals	100%	100%	
AAEON.	ONYX HEALTHCARE INC. (ONYX)	Design, manufacture and sales of medical PC	47.85%	48.40%	Note1
AAEON.	AAEON TECHNOLOGY SINGAPORE PTE. LTD (ASG)	Sales of IPC and PC peripherals	100%	100%	
AAEON.	JETWAY INFORMATION CO., LTD. (JETWAY)	Manufacturing and selling of industrial motherboard and computer peripherals	35.29%	35.29%	Note1
ATCL	AAEON TECHNOLOGY (SUZHOU) INC.(ACI)	Production and sales of IPC and interface card	100%	100%	
ANI	AAEON TECHNOLOGY GMBH(AGI)	Sales of IPC and PC peripherals	100%	100%	
ONYX	ONYX HEALTHCARE EUROPE B.V. (ONI)	Marketing support and maintenance of medical PC and peripherals	100%	100%	
ONYX	ONYX HEALTHCARE USA, INC. (OHU)	Sales of medical PC and peripherals	100%	100%	
ONYX	ONYX HEALTHCARE (SHANGHAI) LTD (OCI)	Sales of medical PC and peripherals	100%	100%	
ONYX	IHELPER INC. (IHELPER)	R&D and sales of medical robots	-%	46%	Note 2

Investor	Investee	Business	Ownership interest		Notes
			2025/12/31	2024/12/31	
JETWAY	JETWAY COMPUTER CORP.(USA) (JETWAYUS)	Selling and repairing of computer peripheral equipment	100%	100%	
JETWAY	JETWAY COMPUTER B.V. (Netherlands) (JETWAYNL)	Selling and repairing of computer peripheral equipment	100%	100%	
JETWAY	JETWAY (FAR EAST) INFORMATION COMPANY LIMITED (JETWAYFE)	Investing of computer peripheral business	100%	100%	
JETWAY	TOP NOVEL ENTERPRISE CORP. (TOPNOVEL)	Investing of computer peripheral business	100%	100%	
JETWAYFE	SCORETIME INVESTMENT LIMITED (SCORETIME)	Investing of computer peripheral business	-%	100%	Note 3
TOPNOVEL	CANDID INTERNATION AL CORP. (CANDID)	Investing of computer peripheral business	100%	100%	
CANDID	FUJIAN CANDID INTERNATION AL CO., LTD. (FUJIAN)	Manufacturing and selling of computer and peripheral equipment	100%	100%	

Note 1: Although the Group does not hold more than 50% shareholding, it is included in the preparation of the consolidated financial report as it has control over the Company's financial, operating and personnel policies.

Note 2: Following the approval of the resolution on dissolution and liquidation at the extraordinary shareholders' meeting on September 10, 2025, which was designated as the effective date of dissolution, the Group ceased to have control over the Company as of that date and, accordingly, the Company was no longer consolidated in the Group's consolidated financial statements. The liquidation had not been completed as of December 31, 2025.

Note 3: In accordance with a resolution of the Board of Directors passed in July 2025, the Company entered into dissolution and liquidation. As of December 31, 2025, the liquidation process remained ongoing and had not yet been completed.

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

The Group's total non-controlling interests as of December 31, 2025 and 2024 were \$1,954,627 and \$2,009,078, respectively. The Group's subsidiaries with significant non-controlling

interests are as follows:

Subsidiary Name	Main business location	Non-controlling interests 2025/12/31		Non-controlling interests 2024/12/31	
		Amount	Ownership interest	Amount	Ownership interest
ONYX	Taiwan	\$ 818,810	52.15%	\$ 797,008	51.60%
JETWAY	Taiwan	\$ 1,135,817	64.71%	\$ 1,203,905	64.71%

Summarized financial information of subsidiaries:

Balance sheet

	ONYX	
	2025/12/31	2024/12/31
Current asset	\$ 834,041	\$ 824,607
Non-current assets	1,319,646	1,281,586
Current liability	( 384,249 )	( 338,864 )
Non-current liabilities	( 199,341 )	( 214,571 )
Total Net Assets	\$ 1,570,097	\$ 1,552,758

	JETWAY	
	2025/12/31	2024/12/31
Current asset	\$ 1,071,634	\$ 1,089,817
Non-current assets	1,147,840	1,217,500
Current liability	( 299,338 )	( 256,966 )
Non-current liabilities	( 157,083 )	( 189,584 )
Total Net Assets	\$ 1,763,053	\$ 1,860,767

Statement of comprehensive income

	ONYX	
	For the years ended December 31,	
	2025	2024
Income	\$ 1,313,288	\$ 1,241,573
Profit before tax	\$ 121,908	\$ 206,407
Income tax expense	( 10,207 )	( 26,282 )
Net income	111,701	180,125
Other comprehensive income (net amount after tax)	26,573	9,862
Total comprehensive income	\$ 138,274	\$ 189,987
Total comprehensive income attributable to non-controlling interests	\$ 70,132	\$ 98,355
Dividends paid to non-controlling interests	\$ 80,482	\$ 86,348

	JETWAY	
	For the years ended December 31, 2025	For the years ended December 31, 2024
Income	\$ 1,406,500	\$ 1,251,573
Profit before tax	\$ 104,461	\$ 180,717
Income tax expense	( 18,759 )	( 56,715 )
Net income	85,702	124,002
Other comprehensive income (net amount after tax)	( 14,702 )	29,328
Total comprehensive income	\$ 71,000	\$ 153,330
Total comprehensive income attributable to non-controlling interests	\$ 43,664	\$ 99,239
Dividends paid to non-controlling interests	\$ 109,175	\$ 97,067

Cash flow statement

	ONYX	
	For the years ended December 31, 2025	2024
Net cash inflow (outflow) from operating activities	\$ 161,784	\$ 124,515
Net cash flows used in investing activities	( 24,773 )	( 52,975 )
Net cash flows from financing activities	( 87,686 )	( 120,669 )
Effects of exchange rate changes on cash and cash equivalents	421	6,955
Decrease in current cash and cash equivalents	49,746	( 42,174 )
Cash and cash equivalents at the beginning of periods	324,593	366,767
Cash and cash equivalents at the end of periods	\$ 374,339	\$ 324,593

	JETWAY	
	For the years ended December 31, 2025	From April 28 to December 31, 2024
Net cash inflow (outflow) from operating activities	\$ 25,215	\$ 221,428
Net cash flows used in investing activities	73,681	( 155,224 )
Net cash flows from financing activities	( 182,298 )	( 349,529 )
Effects of exchange rate changes on cash and cash equivalents	( 19,318 )	29,553
Decrease in current cash and cash equivalents	( 102,720 )	( 253,772 )
Cash and cash equivalents at the beginning of periods	612,147	865,919
Cash and cash equivalents at the end of periods	\$ 509,427	\$ 612,147

(IV) Foreign currency translation

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

1. Foreign currency transaction and account balances

- (1) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (2) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange difference arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (3) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (4) All foreign exchange gains and losses are presented in the statement of comprehensive income within “other gains and losses”.

2. Translation of foreign operations:

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

- A. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- B. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- C. All resulting exchange differences are recognized in other comprehensive income.

(V) Classification of current and non-current items

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

- (1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- (2) Assets held mainly for trading purposes.
- (3) Assets that are expected to be realized within twelve months from the balance sheet date;
- (4) Cash or a cash equivalent, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

Otherwise they are classified as non-current assets.

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

- (1) Liabilities that are expected to be settled within the normal operating cycle;
- (2) Liabilities arising mainly from trading activities;
- (3) Liabilities that are to be settled within twelve months from the balance sheet date;
- (4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments

do not affect its classification.

Otherwise they are classified as non-current liabilities.

(VI) Cash equivalents

Cash equivalents refer to short-term and highly liquid investment readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

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

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

(VIII) Financial asset at fair value through other comprehensive income

1. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
  - (1) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
  - (2) The assets' contractual cash flows represent solely payments of principal and interest.
2. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using transaction date accounting.
3. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity instruments are recognized as other comprehensive income, while all other gains and losses are recognized in other comprehensive income. Those amounts are derecognized without being reclassified to profit or loss and would be transferred to retained earnings. Dividends revenue should be recognized when the right to receive payment is established, provided that it is probable that the economic benefits will flow to the enterprise and the amount of revenue can be measured reliably.

(IX) Financial assets measured at amortized costs

1. Financial assets at amortized cost are those that meet all of the following criteria:
  - (1) The objective of the Group's business model is achieved by collecting contractual cash flows.
  - (2) The assets' contractual cash flows represent solely payments of principal and interest.

(X) Accounts and notes receivable

1. Accounts and notes receivable entitle the Group a legal right to receive consideration in

exchange for transferred goods or rendered services.

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

(XI) Impairment of financial assets

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

(XII) Derecognition of financial assets

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

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

(XIII) Leasing arrangements (lessor) – operating leases

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

(XIV) Inventories

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

(XV) Investments accounted for under equity method

1. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20% or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
2. The Group's share of its associates' post-acquisition profits or losses or other comprehensive income is recognized as current profit or loss or other comprehensive income as appropriate. When the Group's share of losses in an associate equals or exceeds its interest in the associate (including any other unsecured receivables), the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.
3. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in "capital surplus" in proportion to its ownership.

4. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
5. When the affiliate issues additional shares, if the Group does not subscribe or acquire based on the proportion, which lead to a change in investment proportion but still with significant influence, the increase or decrease in net equity value are adjusted against the "capital reserve" and "investments accounted for using the equity method". If the Group's investment is reduced, apart from the above adjustments, the Group reclassifies to profit or loss the proportion of the gain or loss previously recognized in other comprehensive income relative to that reduction in ownership interest.
6. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.
7. When the Group loses significant influence at the disposal of an affiliate, the Group shall account for all amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the Group had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by the Group would be reclassified to profit or loss on the disposal of the related assets or liabilities, the gain or loss from equity is reclassified to profit or loss when the Group loses significant influence. If the Group still has significant influence on the affiliate, the proportionate amount of the gains or losses previously recognized in other comprehensive income is reclassified.
8. When the Group loses significant influence at the disposal of an affiliate, the related capital reserve shall be recognized as profit or loss; if the Group still has significant influence on the affiliate, capital reserve are transferred to profit or loss based on disposal ratio.
9. For the reciprocal investments between the Company and another company, investment income or loss was recognized under equity method based on the amount prior to recognition of profit or loss.
10. The Company performs an impairment test for associates that show indications of impairment at the balance sheet date. The entire carrying amount of the investment (including goodwill) is treated as a single asset and compared with its recoverable amount (the higher of value in use and fair value less costs of disposal). Any impairment loss recognized is included in the carrying amount of the investment. Reversal of an impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(XVI) Property, plant and equipment

1. Property, plant and equipment are stated at cost, and the amount of interest incurred during the construction period are capitalized.
2. Subsequent costs are included in the carrying amount of an asset or recognized as an asset only if it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced shall be derecognized. All other repair and maintenance costs are recognized in profit or loss as incurred.
3. Except for land which is not depreciated, other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If each component of property, plant and equipment is significant, it should be depreciated separately.

4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each end of the financial reporting period. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated economic lives of various assets are as follows:

Buildings	40~50 years
Machinery and equipment	2~10 years
Other equipment	1~8 years

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

1. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
2. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payment, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

3. At the commencement date, the right-of-use asset is stated at cost comprising the following:
  - (1) The amount of the initial measurement of lease liability;
  - (2) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

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

(XVIII) Investment property

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

(XIX) Intangible assets

1. Intangible assets mainly consist of computer software costs are amortized on a straight-line basis over their estimated useful lives of 1 to 10 years.
2. Customer relationship, patent and expertise arise in a business combination, recognized at fair value on the date of acquisition, the basis of fair value accounting is based on the appraisal report with straight-line method basis over their useful lives over 6 to 7 years.

3. Goodwill arise in a business combination accounted for by applying the acquisition method.

(XX) Impairment of non-financial assets

1. The Group assesses at the end of the financial reporting period the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or decrease, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss. However, the reversal should not exceed the carrying amount, net of depreciation or amortization had the impairment not been recognized.
2. The recoverable amounts of goodwill and intangible assets with an indefinite useful life shall be evaluated periodically. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.
3. Goodwill is allocated to cash-generating units for impairment testing purposes. Such allocation is based on the identification of operating segments, distributing goodwill to the cash-generating units or groups of cash-generating units expected to benefit from the goodwill arising from business combinations.

(XXI) Borrowings

Borrowings is recognized initially at fair value, net of transaction costs incurred. after deducting transaction costs at initial recognition. Subsequently, any difference between the proceeds net of transaction costs and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(XXII) Accounts and notes payable

1. Liabilities incurred for purchase of materials or supplies, goods, or services on credit, as well as other notes payables arising from non-operating activities.
2. Short-term accounts and notes payables with no stated interest rate may be measured at the original invoice amount as the effect of discounting is immaterial.

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

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

(XXIV) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the relevant contract is discharged, cancelled or expired.

(XXV) Non-hedging derivatives

Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or

losses are recognized in profit or loss.

(XXVI) Provisions

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

(XXVII) Employee benefits

1. Short-term employee benefits

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

2. Pensions

(1) Defined contribution plans

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

(2) Defined benefit plans

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

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

3. Employees' compensation and directors' remuneration

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

(XXVIII) Share-based payment for employees

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

will meet service conditions and non-market vesting conditions. The final measure of compensation cost is recognized as the vesting quantity on the vesting date.

(XXIX) Income tax

1. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity
2. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the financial reporting period in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.
3. Deferred income tax is recognized, using the balance sheets liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the end of the financial reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At the end of the financial reporting period, unrecognized and recognized deferred income tax assets are reassessed.
5. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheets when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheets when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(XXX) Dividend

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

(XXXI) Revenue recognition

1. Sales of products

- (1) The Group manufactures and sells products related to industrial computers and medical computers, and sales revenue is recognized when control is transferred to

the customer, that is, upon delivery of the product. The wholesaler has full discretion over the channel and price to sell the products, and there is no unsatisfied performance obligations that could affect the wholesaler's acceptance of products. Delivery does not occur until the products have been shipped to the specified location, the risk of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

- (2) Revenues from sales of products related to industrial computers and medical computers are recorded based on the contract price net of the estimated volume discounts and returns at the time of sale. The quantity discounts and sales discounts given to customers are usually calculated on the basis of 6 months of cumulative sales. The Group estimates sales discounts based on historical experience under the expected value method, with revenue amount included to the extent that it is highly probable a significant reversal in the amount of cumulative revenue recognized will not occur, while estimates are updated at the end of the reporting period. The estimated sales discount provided to customers as of the end of the reporting period is recognized as refund liability. The terms for sales transactions are payment 30-60 days EOM. As the interval between transfer of the promised goods or services and payment by the customer is less than 12 months, the Group has not adjusted transaction price to reflect the time value of money.
- (3) The Group provides product warranty for the goods sold, and has the obligation to provide refund for the defective goods sold, while the provisions for sales return should be recognized.
- (4) Accounts receivable is recorded when the Group has the unconditional right to the consideration at that time since payment is due based only upon the passage of time.

## 2. Warrant income

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

### (XXXII) Government grants

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received, recognized in fair value. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expense for the related costs for which the grants are intended to compensate.

### (XXXIII) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, identified as the Board, is responsible for allocating resources and assessing the performance of the Group's operating segments.

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

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

### Significant Accounting Estimations

1. Evaluation of inventories

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

As of December 31, 2025, the carrying amount of the Group's inventory was \$2,170,440.

VI. Details of significant accounts

(I) Cash and cash equivalents

	<u>2025/12/31</u>	<u>2024/12/31</u>
Cash on hand and petty cash	\$ 4,395	\$ 5,209
Checking accounts and demand deposits	1,599,877	2,369,544
Time deposit	825,720	1,895,447
Total	<u>\$ 2,429,992</u>	<u>\$ 4,270,200</u>

1. Due to good credit quality of the Group's principal financial institutions and the Group's relationships with multiple financial institutions, the exposure to a diversified set of risks would lower the probability of a default.
2. Please refer to Note 8 for the Group's collateral provision in the form of cash and cash equivalent guarantees.
3. Certain bank deposits of the Group are restricted due to litigation, amounting to \$721, and have been classified as financial assets measured at amortized cost. Please refer to Note 8 for further details
4. Time deposits with original maturities exceeding three months of the Group's have been reclassified under 'Financial assets measured at amortized cost'.

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

<u>Item</u>	<u>2025/12/31</u>	<u>2024/12/31</u>
Current:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed and OTC stocks	\$ 3,957	\$ 85,178
Emerging stocks	-	3,000
Beneficiary certificates	25,000	25,000
Convertible bond	-	104,900
	<u>28,957</u>	<u>218,078</u>
Valuation adjustment	5,300	406,942
Subtotal	<u>\$ 34,257</u>	<u>\$ 625,020</u>
Financial liabilities held for trading		
Derivatives- forward exchange rate	<u>\$ 287</u>	<u>\$ 391</u>

Non-current:

Financial assets mandatorily measured at fair value through profit or loss

Listed and OTC stocks	\$	81,221	\$	-
Unlisted and non-OTC stocks		164,113		161,113
Convertible bond		104,900		-
Hybrid instrument		10,832		10,832
		<u>361,066</u>		<u>171,945</u>
Valuation adjustment		645,079	(	50,334)
Subtotal	\$	<u>1,006,145</u>	\$	<u>121,611</u>

1. The hybrid instrument is a contract that contains both a host contract and embedded options of the unlisted company V-net AAEON Corporation Ltd. (hereinafter referred to as AJP). The options provide original shareholders the right to resell/repurchase stocks of the Company and V-net at the original transaction price. Please refer to Note 12 (3) 9 for the fair value as of December 31, 2025 and 2024. Pursuant to a resolution of the Board of Directors on May 8, 2025, the Company acquired an 85.5% equity interest in V-net for cash. Subsequently, on October 15, 2025, the Company entered into a contract with AJP with a total transaction price of JPY 1.37 billion (approximately NT\$280 million). According to the contract, the closing is subject to the satisfaction of all conditions precedent.
2. Convertible corporate bonds represent a hybrid financial instrument, consisting of bonds issued by an OTC-listed company and embedded options. These options grant the bondholders the right to convert the bonds into the issuer's shares at a predetermined price. As the host contract within this hybrid instrument qualifies as a financial asset under the scope of IFRS 9, the fair value of the entire hybrid contract is measured accordingly. For details on the fair value inputs, please refer to Note 12, (3) 4.
3. Amounts recognized in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	For the years ended December 31,	
	2025	2024
Financial assets mandatorily measured at fair value through profit or loss		
Equity instrument	\$ 306,536	\$ 221,327
Beneficiary certificates	411	378
Convertible bond	( 13,000 )	( 3,000 )
Derivatives	( 3,965 )	( 8 )
Hybrid instrument	( 176 )	( 516 )
Total	<u>\$ 289,806</u>	<u>\$ 218,181</u>

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

Derivative financial liabilities	2025/12/31	
	Contract amount	Maturity period
Current item:		
Forward exchange contracts		
-Buy NTD Sell USD	USD 510,000	2026.12.15~2026.1.19
-Buy NTD Sell USD	USD 510,000	2025.12.03~2026.1.27
-Buy NTD Sell USD	USD 510,000	2025.12.11~ <u>2026.2.09</u>
-Buy NTD Sell USD	USD 510,000	2025.12.16~2026.2.24

Derivative financial liabilities	2024/12/31	
	Contract amount	Maturity period
Current item:		
Forward exchange contracts		
-Buy NTD Sell USD	USD 510,000	2025.11.18~2025.1.13
-Buy NTD Sell USD	USD 510,000	2025.11.21~2025.1.14

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

5. The Group has no financial assets measured at fair value through profit or loss pledged as collaterals.

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

Item	2025/12/31	2024/12/31
Non-current:		
Equity instrument		
Listed and OTC stocks	\$ 89,184	\$ 89,184
Unlisted and non-OTC stocks	100,534	100,534
Valuation adjustment	( 3,327 )	( 38,670 )
Total	\$ 186,391	\$ 151,048

1. The Group has elected to classify investment on MELTEN CONNECTED HEALTHCARE INC. and PROTECTLIFE INTERNATIONAL BIOMEDICAL INC., which are considered to be strategic investments as financial assets measured at fair value through other comprehensive income. The fair value of the investments amounted to \$186,391 and \$151,048 on December 31, 2025, and 2024 separately.

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

	For the year ended December 31,	
	2025	2024
Financial asset at fair value through other comprehensive income		
Recognized in other comprehensive income (loss)	\$ 35,343	\$ 3,676
The dividend income recognized in profit or loss for those still held at the end of the current period.	\$ 7,195	\$ 5,441

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

(IV) Financial assets measured at amortized cost-current

<u>Item</u>	<u>2025/12/31</u>	<u>2024/12/31</u>
Current item		
Convertible bond	\$ 15,535	\$ -
Time deposits	1,150,000	89,569
Restricted deposits	1,664	983
Total	\$ 1,167,199	\$ 90,552

- Time deposits represent bank time deposits with original maturities exceeding three months.
- Amounts recognized in profit or loss in relation to Financial assets measured at amortized cost are listed below:

	For the three-month periods ended December 31,	
	2025	2024
Interest revenue	\$ 7,295	\$ 6,430

- Disregarding the collateral held or other credit enhancements, the maximum exposure to credit risk, which best represents the Group's exposure arising from financial assets measured at amortized cost, was \$1,167,199, \$90,552 as of December 31, 2025, and 2024, respectively.
- Please refer to Note 8 for details of the financial assets measured at amortized cost pledged as collateral by the Group.
- Relevant credit risk information related to financial assets measured at amortized cost is disclosed in Note 12(2). The Group invests in certificates of deposit with financial institutions of good credit standing, and accordingly, management considers the risk of default to be low.

(V) Notes and accounts receivable

	<u>2025/12/31</u>	<u>2024/12/31</u>
Notes receivable	\$ 39,264	\$ 45,323
Accounts receivable	\$ 1,267,964	\$ 856,387
Less: Loss allowance	( 69,902 )	( 24,313 )
	\$ 1,198,062	\$ 832,074

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

Notes receivable	2025/12/31	2024/12/31
Not past due	\$ 39,264	\$ 45,323
Accounts receivable	2025/12/31	2024/12/31
Not past due	\$ 1,036,305	\$ 646,731
Within 30 days	115,977	180,686
31-60 days	73,304	7,101
61-90 days	5,180	1,675
91-180 days	16,614	5,880
Over 181 days	20,584	14,314
	\$ 1,267,964	\$ 856,387

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

- The Group does not hold any financial assets as security for accounts and notes receivables.
- Balances of accounts and notes receivable as of December 31, 2025 and 2024 had arisen entirely from customers' contracts. Balance receivable on customers' contracts and allowance for losses as of January 1, 2024 were \$952,830 and \$19,864, respectively.
- Regardless of any collateral held or other credit enhancements, the maximum exposure to the credit risk of notes receivables as of December 31, 2025, and 2024 were \$39,264, \$45,323 respectively, and the maximum exposure to the credit risk of accounts receivable as of December 31, 2025 and 2024 were \$1,198,062 and \$832,074, respectively.
- Please refer to Note 12 (2) for credit risk information of notes and accounts receivable.

(VI) Inventories

	2025/12/31		
	Cost	Valuation allowance	Carrying amount
Raw material	\$ 1,009,964	( \$ 64,237 )	\$ 945,727
Work in progress	782,957	( 37,983 )	744,974
Finished good	462,667	( 37,422 )	425,245
Merchandise Inventories	64,346	( 10,305 )	54,041
Inventories in transit	453	-	453
Total	\$ 2,320,387	( \$ 149,947 )	\$ 2,170,440
	2024/12/31		
	Cost	Valuation allowance	Carrying amount
Raw material	\$ 626,623	( \$ 73,027 )	\$ 553,596
Work in progress	460,388	( 26,697 )	433,691
Finished good	324,369	( 44,301 )	280,068
Merchandise Inventories	64,563	( 12,454 )	52,109
	272	-	272
Total	\$ 1,476,215	( \$ 156,479 )	\$ 1,319,736

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

	For the years ended December 31,	
	2025	2024
Cost of inventory sold	\$ 5,707,585	\$ 4,627,147
Inventories obsolescence and devaluation loss	( 12,767 )	( 28,965 )
Losses on disposal of inventories	19,391	7,383
Others	2,265	1,834
	<u>\$ 5,742,008</u>	<u>\$ 4,607,399</u>

During 2024, the Group recognized a reversal of inventory write-downs due to the sale and scrapping of inventories for which write-downs had been recognized in prior years.

(VII) Investments accounted for under equity method

	2025	2024
At January 1	\$ 4,054,764	\$ 4,138,921
Increase in investments accounted for under equity method	9,760	3,548
Share of investment income accounted for under equity method	47,734	142,344
Distribution of investment income accounted for under equity method	( 244,894 )	( 289,560 )
Changes in capital surplus	2,085	17,085
Changes in other equity	( 37,846 )	42,426
At December 31	<u>\$ 3,831,603</u>	<u>\$ 4,054,764</u>

Investee	2025/12/31		2024/12/31	
	Ownership (%)	Book value	Ownership (%)	Book value
LITEMAX ELECTRONICS INC.	11.82	\$ 106,719	11.86	\$ 119,748
IBASE TECHNOLOGY INC.	26.57	3,032,301	26.70	3,251,957
WINMATE INC.	12.73	658,831	12.85	649,524
PROTECTLIFE INTERNATIONAL BIOMEDICAL INC.	13.18	33,752	11.08	33,535
		<u>\$ 3,831,603</u>		<u>\$ 4,054,764</u>

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

Balance sheet

	IBASE TECHNOLOGY INC.	
	2025/12/31	2024/12/31
Current asset	\$ 4,548,496	\$ 5,953,894
Non-current assets	7,372,798	7,362,464
Current liability	( 2,328,574 )	( 2,472,972 )
Non-current liabilities	( 1,611,503 )	( 2,239,359 )
Net assets fair value of trade marks, other intangible and tangible assets adjustment	559,907	857,160
Adjusted net assets	\$ 8,541,124	\$ 9,461,187
Share of net assets of the affiliate	\$ 2,053,883	\$ 2,273,539
Goodwill	978,418	978,418
Book value of affiliates	\$ 3,032,301	\$ 3,251,957

Statement of comprehensive income

	For the years ended December 31,	
	2025	2024
Income	\$ 5,357,561	\$ 5,180,150
Net income of continuing operations	28,809	508,966
Fair value adjustment	( 143,451 )	( 152,535 )
Other comprehensive income (net amount after tax)	( 114,642 )	356,431
Total comprehensive income	( 112,017 )	208,936
Adjusted total comprehensive income	( \$ 226,659 )	\$ 565,367
Dividends received from associates	\$ 168,500	\$ 221,196

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

As of December 31, 2025, and 2024, the total carrying amounts of the Group's individually immaterial associates were \$799,302 and \$802,807, respectively.

	For the years ended December 31,	
	2025	2024
Net income of continuing operations	\$ 77,531	\$ 90,655
Other comprehensive income (net amount after tax)	( 8,128 )	454
Total comprehensive income	\$ 69,403	\$ 91,109

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

	<u>2025/12/31</u>	<u>2024/12/31</u>
LITEMAX ELECTRONICS INC.	\$ 204,614	\$ 333,501
IBASE TECHNOLOGY INC.	2,280,932	3,900,341
WINMATE INC.	1,531,478	1,644,162
	<u>\$ 4,017,024</u>	<u>\$ 5,878,004</u>

4. Although the Group holds less than 20% of the voting power of Litemax Electronics Inc., it has significant influence to Litemax and has adopted the equity method for evaluation as its shareholding percentage is the highest, and has also been serving as a director of Litemax. As of December 31, 2025, the Group held 11.82% of the equity interest in Litemax Electronics Inc and was the single largest shareholder. However, considering that the remaining 88.18% equity interest is held by other investors and that a minority of voting rights holders acting together hold more voting rights than the Group, the Group does not have the practical ability to direct the relevant activities of Litemax Electronics Inc. Accordingly, the Group concluded that it does not have control over Litemax Electronics Inc but has significant influence only.
5. On June 11, 2018, the Company signed a share agreement with IBASE issuing 41,698 thousand shares to acquire 52,922 thousand shares of IBASE., with the swap date set for September 29, 2018. The Group holds 30% of the voting power of IBASE. As of December 31, 2025, the Group holds 26.57% voting power, remaining its largest shareholder. However, based on other shareholders' participation and voting records in past meetings, the Group has no actual ability to direct relevant activities. Therefore, the Group has no control over the company and only has a significant influence.
6. Although the Group holds less than 20% of the voting power of Winmate Inc., it has adopted the equity method for evaluation as its subsidiary Onyx has served as a director of Winmate Inc.
7. Although the Group's voting shares in PROTECTLIFE INTERNATIONAL BIOMEDICAL INC., do not reach 20%, the Chairman of the Company serves as a director of Baosheng International, and when the Group's shares are combined with those held by other related parties—Fuli Investment Co., Ltd.—the total reaches 20%. Due to the significant influence, the equity method is applied for valuation.

(VIII) Property, Plant and Equipment

2025

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment under installation	Total
January 1						
Cost	\$ 621,390	\$ 931,697	\$ 260,876	\$ 296,187	\$ -	\$ 2,110,150
Accumulated depreciation and impairment	-	( 335,264 )	( 169,690 )	( 217,186 )	-	( 722,140 )
	<u>\$ 621,390</u>	<u>\$ 596,433</u>	<u>\$ 91,186</u>	<u>\$ 79,001</u>	<u>\$ -</u>	<u>\$ 1,388,010</u>
January 1	\$ 621,390	\$ 596,433	\$ 91,186	\$ 79,001	\$ -	\$ 1,388,010
Additions	-	10,956	11,617	18,185	9,139	49,897
Disposal	-	( 11 )	( 23 )	( 16 )	-	( 50 )
Reclassification	-	-	1,769	6,690	( 6,655 )	1,804
Depreciation expense	-	( 24,835 )	( 16,108 )	( 33,842 )	-	( 74,785 )
Net exchange differences	( 3,409 )	( 3,060 )	152	288	-	( 6,029 )
December 31	<u>\$ 617,981</u>	<u>\$ 579,483</u>	<u>\$ 88,593</u>	<u>\$ 70,306</u>	<u>\$ 2,484</u>	<u>\$ 1,358,847</u>
December 31						
Cost	\$ 617,981	\$ 939,169	\$ 232,158	\$ 298,917	\$ 2,484	\$ 2,090,709
Accumulated depreciation and impairment	-	( 359,686 )	( 143,565 )	( 228,611 )	-	( 731,862 )
	<u>\$ 617,981</u>	<u>\$ 579,483</u>	<u>\$ 88,593</u>	<u>\$ 70,306</u>	<u>\$ 2,484</u>	<u>\$ 1,358,847</u>

2024

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress and equipment under installation	Total
January 1						
Cost	\$ 714,261	\$ 977,482	\$ 239,666	\$ 283,009	\$ 343	\$ 2,214,761
Accumulated depreciation and impairment	-	( 310,886 )	( 177,379 )	( 206,812 )	-	( 695,077 )
	<u>\$ 714,261</u>	<u>\$ 666,596</u>	<u>\$ 62,287</u>	<u>\$ 76,197</u>	<u>\$ 343</u>	<u>\$ 1,519,684</u>
January 1	\$ 714,261	\$ 666,596	\$ 62,287	\$ 76,197	\$ 343	\$ 1,519,684
Additions	-	2,842	43,622	32,343	2,120	80,927
Disposal	-	( 3 )	( 637 )	( 670 )	-	( 1,310 )
Reclassification (Note 1)	( 98,104 )	( 57,688 )	2,743	4,371	( 2,463 )	( 151,151 )
Depreciation expense	-	( 26,523 )	( 17,267 )	( 33,776 )	-	( 77,566 )
Net exchange differences	5,232	11,219	440	535	-	( 17,426 )
December 31	<u>\$ 621,389</u>	<u>\$ 596,433</u>	<u>\$ 91,188</u>	<u>\$ 79,000</u>	<u>\$ -</u>	<u>\$ 1,388,010</u>
December 31						
Cost	\$ 621,389	\$ 931,697	\$ 260,876	\$ 296,187	\$ -	\$ 2,110,150
Accumulated depreciation and impairment	-	( 335,264 )	( 169,690 )	( 217,186 )	-	( 722,140 )
	<u>\$ 621,389</u>	<u>\$ 596,433</u>	<u>\$ 91,186</u>	<u>\$ 79,001</u>	<u>\$ -</u>	<u>\$ 1,388,010</u>

Note : Mainly reclassified from investment property

1. The above property, plant and equipment are assets for self-use requirement.
2. The Group has not capitalized any borrowing costs related to property, plant, and equipment.
3. Please refer to Note 8 for the property, plant and equipment as collaterals for loans.

(IX) Lease transactions - lessee

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

	2025/12/31	2024/12/31
	Carrying amount	Carrying amount
Buildings	\$ 119,895	\$ 142,025
Transportation equipment	13,995	13,216
Land use right	39,971	41,027
Other equipment	994	399
	<u>\$ 174,855</u>	<u>\$ 196,667</u>

	For the years ended December 31,	
	2025	2024
	Depreciation expense	Depreciation expense
Buildings	\$ 64,456	\$ 61,564
Transportation equipment	8,232	6,888
Land use right	1,114	1,130
Other equipment	220	373
	<u>\$ 74,022</u>	<u>\$ 69,955</u>

4. For the years ended December 31, 2025 and 2024 to the acquisitions of right-of-use assets were \$54,042 and \$78,072, respectively.

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

	For the years ended December 31,	
	2025	2024
<u>Items affecting profit or loss</u>	<u>Depreciation expense</u>	<u>Depreciation expense</u>
Interest expense on lease liabilities	\$ 4,631	\$ 5,077
Expense on short-term lease contract	9,224	11,576
Expenses on leases of low-value assets	147	142
Expense on leases of low-value assets	2,699	2,430
Gain on lease modification	171	542

6. For the years ended December 31, 2025 and 2024, the Group's total cash outflow for leases was \$89,425 and \$85,081, respectively.

(X) Investment property

	2025		
	Land	Buildings	Total
January 1			
Cost	\$ 226,177	\$ 222,998	\$ 449,175
Accumulated depreciation and impairment	-	( 106,750 )	( 106,750 )
	<u>\$ 226,177</u>	<u>\$ 116,248</u>	<u>\$ 342,425</u>

	Land	Buildings	Total
January 1	\$ 226,177	\$ 116,248	\$ 342,425
Depreciation expense	-	( 8,991 )	( 8,991 )
Net exchange differences	-	( 74 )	( 74 )
December 31	<u>\$ 226,177</u>	<u>\$ 107,183</u>	<u>\$ 333,360</u>

	Land	Buildings	Total
December 31			
Cost	\$ 226,177	\$ 223,429	\$ 449,606
Accumulated depreciation and impairment	-	( 116,246 )	( 116,246 )
	<u>\$ 226,177</u>	<u>\$ 107,183</u>	<u>\$ 333,360</u>

	2024		
	Land	Buildings	Total
January 1			
Cost	\$ 128,073	\$ 146,443	\$ 274,516
Accumulated depreciation and impairment	-	( 82,724 )	( 82,724 )
	<u>\$ 128,073</u>	<u>\$ 63,719</u>	<u>\$ 191,792</u>

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
January 1	\$ 128,073	\$ 63,719	\$ 191,792
Reclassification (Note 1)	98,104	59,477	157,581
Depreciation expense	-	( 8,244 )	( 8,244 )
Net exchange differences	-	1,296	1,296
December 31	<u>\$ 226,177</u>	<u>\$ 116,248</u>	<u>\$ 342,425</u>

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
December 31			
Cost	\$ 226,177	\$ 222,998	\$ 449,175
Accumulated depreciation and impairment	-	( 106,750 )	( 106,750 )
	<u>\$ 226,177</u>	<u>\$ 116,248</u>	<u>\$ 342,425</u>

Note : Mainly reclassified from property, plant and equipment.

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

	<u>For the year ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Rent income	<u>\$ 15,254</u>	<u>\$ 12,413</u>
Related direct operating cost & expense	<u>\$ 8,991</u>	<u>\$ 8,244</u>

2. The fair value of investment property for the year ended December 31, 2025, and 2024 was \$491,382 and \$504,693 which base on the evaluation results of nearby transaction prices.

3. For the details of the Group's investment properties pledged as collateral for borrowings, please refer to Note 8.

(XI) Intangible assets

	<u>Patent and Expertise</u>	<u>Computer Software</u>	<u>Goodwill</u>	<u>Customer Relationship</u>	<u>Total</u>
January 1, 2025					
Cost	\$ 70,691	\$ 75,780	\$ 204,390	\$ 465,859	\$ 810,786
Accumulated amortization and impairment	( 19,616 )	( 78,005 )	-	( 110,919 )	( 208,540 )
	<u>\$ 51,075</u>	<u>\$ 17,706</u>	<u>\$ 204,390</u>	<u>\$ 354,940</u>	<u>\$ 628,111</u>
January 1, 2025	\$ 51,075	\$ 17,706	\$ 204,390	\$ 354,940	\$ 628,111
Additions- from acquisitions	24	16,086	-	-	16,110
Reclassification	-	( 84 )	-	-	( 84 )
Amortization	( 11,737 )	( 15,378 )	-	( 66,551 )	( 93,666 )
Net exchange differences	( 10 )	23	-	-	13
December 31, 2025	<u>\$ 39,352</u>	<u>\$ 18,353</u>	<u>\$ 204,390</u>	<u>\$ 288,389</u>	<u>\$ 550,484</u>
December 31, 2025					
Cost	\$ 70,715	\$ 111,713	\$ 204,390	\$ 465,859	\$ 852,677
Accumulated amortization and impairment	( 31,363 )	( 93,360 )	-	( 177,470 )	( 302,193 )
	<u>\$ 39,352</u>	<u>\$ 18,353</u>	<u>\$ 204,390</u>	<u>\$ 288,389</u>	<u>\$ 550,484</u>

	Patent and Expertise	Computer Software	Goodwill	Customer Relationship	Total
January 1, 2024 Cost	\$ 70,691	\$ 75,780	\$ 204,390	\$ 465,859	\$ 810,786
Accumulated amortization and impairment	( 7,900 )	( 64,299 )	-	( 44,368 )	( 94,408 )
	<u>\$ 62,791</u>	<u>\$ 11,481</u>	<u>\$ 204,390</u>	<u>\$ 421,491</u>	<u>\$ 700,153</u>
January 1, 2024 Additions- from acquisitions	\$ 62,791	\$ 11,481	\$ 204,390	\$ 421,491	\$ 700,153
Reclassification	-	20,330	-	-	20,330
Amortization	- ( 11,735 )	( 399 )	-	- ( 66,551 )	( 399 )
Net exchange differences	( 11,735 )	( 13,716 )	-	( 66,551 )	( 92,002 )
December 31, 2024	19	10	-	-	29
	<u>\$ 51,075</u>	<u>\$ 17,706</u>	<u>\$ 204,390</u>	<u>\$ 354,940</u>	<u>\$ 628,111</u>
December 31, 2024 Cost	\$ 70,691	\$ 75,780	\$ 204,390	\$ 465,859	\$ 810,786
Accumulated amortization and impairment	( 19,616 )	( 78,005 )	-	( 110,919 )	( 208,540 )
	<u>\$ 51,075</u>	<u>\$ 17,706</u>	<u>\$ 204,390</u>	<u>\$ 354,940</u>	<u>\$ 628,111</u>

- Please refer to the Note 6 (27) for business combinations.
- As of December 31, 2025, the goodwill generated by JETWAY due to the acquisition of the Group is tentatively recognized at \$204,390, and the impairment test of goodwill is to allocate goodwill to the cash generating units related to JETWAY, and the use value is used as the basis for the recoverable amount, and the use value is estimated based on the cash flow of the five-year financial budget approved by management.

Management determines the budget gross margin based on previous performance and its expectations of market development. The weighted average growth rate used is consistent with the industry report's forecast. The discount rate used is an after-tax rate and reflects the specific risks of the relevant operating sector. The after-tax discount rate used in the main assessment of December 31, 2025 was 13.75%.

There's no impairment loss of goodwill recognized from the above assessment mentioned in the year in ended December 31, 2025.

- The details of Amortization as below:

	For the year ended December 31,	
	2025	2024
Operating cost	\$ 1,102	\$ 1,000
Selling expense	1,373	1,305
General and administrative expenses	82,111	81,822
Research and development expenses	9,080	7,875
	<u>\$ 93,666</u>	<u>\$ 92,002</u>

(XII) Short-term borrowings

Type of borrowing	2025/12/31	Interest rate range	Collateral
Borrowings from banks			
Credit borrowings	\$ 232,364	1.99%~2.70%	Note
Guaranteed borrowings	50,000	2.15%	Refer to Note 8
	<u>\$ 282,364</u>		

Type of borrowing	2024/12/31	Interest rate range	Collateral
Borrowings from banks			
Credit borrowings	\$ 30,000	2.10%	Note
Guaranteed borrowings	50,000	2.05%	Refer to Note 8
	<u>\$ 80,000</u>		

For the year ended December 31, 2025 and 2024, interest expenses recognized through profit or loss were \$1,970 and \$762, respectively.

(XIII) Long-term borrowings

Type of borrowing	Period and Repayment method	Interest rate range	Collateral	2025/12/31
Borrowings from banks				
Guaranteed borrowings	2024.5.28-2036.5.28 Monthly amortization of principal and interest	1.98%	Land, Buildings	\$ 123,946
Less: Current portions of long-term loans				( 10,823 )
				<u>\$ 113,123</u>

Type of borrowing	Period and Repayment method	Interest rate range	Collateral	2024/12/31
Borrowings from banks				
Guaranteed borrowings	2024.5.28-2036.5.28 Monthly amortization of principal and interest	1.98%	Land, Buildings	\$ 134,559
Less: Current portions of long-term loans				( 10,612 )
				<u>\$ 123,947</u>

1. The interest recognized in profit or loss for the year ended December 31, 2025 and 2024 were \$2,559 and \$2,729, respectively.

2. Please refer to Note 8 for the details of collateral.

(XIV) Other payables

	2025/12/31	2024/12/31
Accrued payroll, employee's compensation and bonuses	\$ 454,919	\$ 424,114
Accrued technical service fee (Note)	-	43,695
Others	180,394	200,112
	<u>\$ 635,313</u>	<u>\$ 667,921</u>

Note: Please refer to Note 7 (3) 6. for the details

(XV) Pension

1.(1) The Company and JETWAY have a defined benefit pension plan in accordance with the

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

(2) The amounts recognized in the balance sheets are as follows:

	<u>2025/12/31</u>	<u>2024/12/31</u>
Present value of defined benefit obligations	( \$ 16,143 )	( \$ 18,492 )
Fair value of plan assets	31,959	29,721
Net defined benefit liability	<u>\$ 15,816</u>	<u>\$ 11,229</u>

(3) Movements in net defined benefit liabilities are as follows:

	<u>2025</u>		
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit assets (liability)</u>
January 1	( \$ 18,492 )	\$ 29,721	\$ 11,229
Current service cost	( 3 )	-	( 3 )
Interest (expense) income	( 290 )	466	176
	<u>( 18,785 )</u>	<u>30,187</u>	<u>11,402</u>
Remeasurements:			
Change in financial assumptions	1,517	-	1,517
Experience adjustments	693	2,185	2,878
	<u>2,210</u>	<u>2,185</u>	<u>4,395</u>
Pension fund contribution	-	19	19
Pension payment	432	( 432 )	-
December 31	<u>( \$ 16,143 )</u>	<u>\$ 31,959</u>	<u>\$ 15,816</u>

	2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets (liability)
January 1	(\$ 18,986 )	\$ 29,123	\$ 10,137
Current service cost	( 2 )	-	( 2 )
Interest (expense) income	( 247 )	378	131
	( 19,235 )	29,501	10,266
Remeasurements:			
Change in financial assumptions	( 1,612 )	-	( 1,612 )
Experience adjustments	( 25 )	2,587	2,562
	( 1,637 )	2,587	950
Pension fund contribution	-	13	13
Pension payment	2,380	( 2,380 )	-
December 31	(\$ 18,492 )	\$ 29,721	\$ 11,229

- (4) The Bank of Taiwan was commissioned to manage the Fund of the Company's and its domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and its domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and its domestic subsidiaries are unable to disclose the classification of plan asset fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2025 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.
- (5) The principal actuarial assumptions used are as follows:

	2025	2024
Discount rate	1.34%~1.65%	1.57%~1.8%
Future salary increases rate	2.00%~3.00%	3.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases rate	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
December 31, 2025				
Effect on present value of defined benefit obligation	( \$ 642 )	\$ 989	\$ 977	( \$ 642 )
December 31, 2024				
Effect on present value of defined benefit obligation	( \$ 1,134 )	\$ 1,229	\$ 1,197	( \$ 1,125 )

The sensitivity analysis above was determined based on the change of one assumption while the other conditions remain unchanged. In practice, the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheets are the same

- (6) Expected contribution to the defined benefit pension plans of the Group for the year ending December 31, 2026 is \$19.
- (7) As of December 31, 2025, the weighted average duration of that retirement plan is 10~29 years. The maturity analysis of pension payments is as follows:

Less than 1 year	\$	15,192
1~2 years		-
2~5 years		365
Over 5 years		40
	<u>\$</u>	<u>15,597</u>

- 2.(1) Since July 1, 2005, the Company and its domestic subsidiaries have established certain retirement payout methods applicable for domestic employees in accordance with the "Labor Pension Act." The Company and its domestic subsidiaries choose to apply the labor pension system stipulated in the "Labor Pension Act" and allocate pensions on a monthly basis to the individual labor pension account managed by the Bureau of Labor Insurance at 6% of monthly wage. Based on the principal and accrued dividends from an employee's individual labor pension account, labor pension shall be paid by monthly pension payments or by lump-sum payment upon retirement.
- (2) In accordance with the pension insurance system formulated by the People's Republic of China, ACI, OCI and FUJIAN has allocated provisions for pension insurance based on a specified ratio of the overall wage of local employees. Each employee's retirement pension is managed by the government, and ACI, OCI and FUJIAN have no further obligations except to be responsible for monthly allocation.
- (3) AEI and OHU currently have a personal pension scheme under the Company's support. The Company and the employees are jointly liable for the employee's pension fund, of which the company allocates 3% of total wage, and the pension is capped by the amount paid by employees.
- (4) ASG, ANI, AGI ,ONI and JETWAYUS shall allocate pensions in accordance with local laws and regulations.
- (5) Pension costs recognized by AAEON in accordance with the above retirement policy for were \$59,528, and \$57,509, for the years ended December 31, 2025 and 2024, respectively.

(XVI) Share-based Payment

1. The Company

(1) The Company had the following share-based payment agreement active for the nine-months periods ended December 31, 2025 and 2024:

Arrangement type	Grant date	Quantity granted (thousand)	Contract period	Vesting conditions
Plan of employee stock options	2025.04.28	3,000	6 years	Service of 2~5 years
Plan of employee stock options	2019.11.26	3,000	5 years	Service of 2~4 years

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

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

	For the year ended December 31, 2025	
	No. of units (shares in thousands)	Weighted average exercise price (in dollars)
Options outstanding at beginning of period	-	\$ -
Options granted	3,000	100.0
Options expired	( 50 )	97.9
Options outstanding at the end of period	2,950	95.8
Options exercisable at the end of period	-	-

	For the year ended December 31, 2024	
	No. of units (shares in thousands)	Weighted average exercise price (in dollars)
Options outstanding at beginning of period	1,218	\$ 60.7
Options exercised	( 1,023 )	59.5
Options expired	( 195 )	-
Options outstanding at the end of period	-	-
Options exercisable at the end of period	-	-

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

Arrangement type	Authorized issue date	Maturity date	2025/12/31	
			Number of shares (in thousands)	Exercise price (in dollars)
Plan of employee stock options	2025.04.28	2031.04.27	2,950	\$ 95.8

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

Arrangement type	Grant date	Quantity granted (thousand)	Stock price	Exercise price	Expected price Volatility	Expected option life	Risk-free interest rate	Fair value per unit (in dollars)
Plan of employee stock options	2025.04.28	3,000	\$127.5	\$ 100.0	36.58%	4.6 years	1.46%	\$ 53.0378
Plan of employee stock options	2019.11.26	3,000	\$ 72.3	\$ 72.3	26.88%	3.875 years	0.58%	\$ 15.7445

(5) Expenses of share-based payment transaction:

	For the years ended December 31,	
	2025	2024
Equity settlement	\$ 33,963	\$ -

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

(1) ONYX had the following share-based payment agreement active for the years ended December 31, 2025 and 2024:

Arrangement type	Grant date	Quantity granted (thousand)	Contract period	Vesting conditions
Plan of employee stock options	2025.04.09	500	6 years	Service of 2~5 years
Plan of employee stock options	2020.08.06	1,000	5 years	Service of 2~4 years

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

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

	For the year ended December 31, 2025	
	No. of units (shares in thousands)	Weighted average exercise price (in dollars)
Options outstanding at beginning of period	535	\$ 94.1
Options granted	500	110.0
Options exercised	( 443 )	93.7
Options expired	( 92 )	-
Options forfeited	( 35 )	-
Options outstanding at the end of period	465	106.3
Options exercisable at the end of period	-	-

	For the year ended December 31, 2024	
	No. of units (shares in thousands)	Weighted average exercise price (in dollars)
Options outstanding at beginning of period	625	\$ 110.5
Options exercised	( 84 )	98.4
Options expired	( 6 )	-
Options outstanding at the end of period	535	94.1
Options exercisable at the end of period	535	-

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

Arrangement type	Authorized issue date	Maturity date	2025/12/31	
			No. of units (shares in thousands)	Exercise price (in dollars)
Plan of employee stock options	2020.08.06	2025.08.06	465	\$ 106.3

Arrangement type	Authorized issue date	Maturity date	2024/12/31	
			No. of units (shares in thousands)	Exercise price (in dollars)
Plan of employee stock options	2020.08.06	2025.08.06	535	\$ 94.1

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

Arrangement type	Grant date	Quantity granted (thousand)	Stock price	Exercise price	Expected price Volatility	Expected option life	Risk-free interest rate	Fair value per unit (in dollars)
Plan of employee stock options	2025.04.09	500	\$ 109.0	\$ 110.0	35.68%	4.60 years	1.45%	\$ 34.58
Plan of employee stock options	2020.08.06	1,000	\$ 139.5	\$ 139.5	32.26%	3.88 years	0.29%	\$ 35.39

(5) Expenses of share-based payment transaction:

	For the year ended December 31,	
	2025	2024
Equity settlement	\$ 3,801	\$ 1,542

(XVII) Share capital

- As of December 31, 2025, the Company's authorized capital was \$2,500,000 (including 5,000 thousand shares reserved for issuing employee stock options), with paid-in capital of \$1,694,512, divided into 169,451 thousand shares, each at par value of NT\$10 per share. Proceeds have been fully collected for the issued shares. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows

(unit: shares in thousands):

	2025	2024
1/1	169,451	160,407
Employee stock options exercised	-	1,023
Capital surplus-stock dividends	-	8,021
12/31	169,451	169,451

2. As of December 31, 2025, AAEON's associates - IBASE owned 43,773 thousand of AAEON's shares.
3. On May 29, 2024, the company resolved in its shareholders' meeting to allocate \$80,204 from the capital surplus generated from issuing shares at a premium over par value to increase capital. This will be used to issue 8,021 thousand new shares, each with a par value of NT\$10. The plan to increase capital by transferring the capital surplus was approved by the Securities and Futures Bureau of the Financial Supervisory Commission on July 3, 2025, the change has been registered with the relevant authorities in September, 2025.
4. On May 29, 2024, the company resolved in its shareholders' meeting to issue employee stock warrants, totaling 3,000 units. Each unit of the stock warrant entitles the holder to subscribe for 1,000 shares. The total number of new common shares to be issued due to the exercise of stock warrants is 3,000,000 shares, with a subscription price of NT\$100 per share. As of August 6, 2024, the warrants were issued on April 28, 2025.

(XVIII) Capital surplus

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

	2025						
	Share premium	Difference between carrying amount of subsidiaries acquired or disposed	Recognition of changes in ownership interest in subsidiary	Affiliate company net equity changes	Employee Share option	Others	Total
January 1	\$ 5,683,651	\$ 233,002	\$ 243,038	\$ 246,195	\$ -	\$ 6,344	\$ 6,412,230
Changes in ownership interest in subsidiary	-	-	( 6,347 )	-	-	-	( 6,347 )
Employee stock options exercised	-	-	17,796	-	-	-	17,796
Change in associates and joint ventures accounted for under equity method	-	-	-	4,163	-	-	4,163
Share-based Payment	( 1,483 )	-	1,820	-	35,446	-	35,783
December 31	\$ 5,683,168	\$ 233,002	\$ 256,307	\$ 250,358	\$ 35,446	\$ 6,344	\$ 6,463,625

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

**(XIX) Retained earnings**

1. Under the Company's Article of Incorporation, the profit in a fiscal year, shall first be utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings at the beginning of the period shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.
2. Future dividend distributions shall be made based on considerations including financial, operational, and managerial factors. For the current year's distributable earnings, a portion or all may be allocated as dividends. At least 50% of distributable earnings must be allocated as dividends to shareholders, with the cash dividend not less than 50% of the total dividend amount. The actual amount distributed shall be determined by approval at the shareholders' meeting.
3. Unless losses have been covered or where legal reserve is distributed by the issuance of new shares or by cash in proportion to the shareholders' existing shareholding, the Company shall not make distributions out of legal reserve, of which only the portion of legal reserve which exceeds 25 percent of the paid-in capital may be distributed.
4. (1) For surplus distribution, the Company shall appropriate special reserve to the debit balance of other equity on the end of the reporting period. When the debit balance of other equity is reversed, the reversal amount can be included in distributable surplus.
- (2) When adopting IFRSs for the first time, the special surplus reserve provided as of March 31, 2021, under the Financial Supervisory Commission's letter numbered 1090150022, shall be reversed proportionally upon subsequent use, disposal, or reclassification of related assets by the company.

5. The company resolved in its shareholders' meetings on May 29, 2025, and 2024, to approve the distribution of earnings for the fiscal years 2024 and 2023 as follows:

	2024		2023	
	Amount	Dividend per share (in NT dollars)	Amount	Dividend per share (in NT dollars)
Legal reserve	\$ 96,687		\$ 96,684	
Cash dividends	872,674	\$ 5.15	1,042,651	\$ 6.50
	<u>\$ 969,361</u>		<u>\$ 1,139,335</u>	

The result of appropriations of 2024 and 2023 which were the same as the proposal submitted by the Board of Directors.

6. The 2025 surplus distributions approved by the resolutions of the board of directors of the Company on February 25, 2026 are as follows:

	2025	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 70,576	
Cash dividends	635,442	\$ 3.50
	<u>\$ 706,018</u>	

As of February 25, 2026, the 2025 surplus distributions stated above has not yet been resolved by the shareholders.

(XX) Operating income

	For the years ended December 31,	
	2025	2024
Revenue from contracts with customers	\$ 8,625,383	\$ 7,186,031

1. Disaggregation of revenue from contracts with customers

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

For the year ended December 31, 2025	For the year ended December 31, 2025		
	IPC	Medical PC	Total
Revenue from Contracts with Customers	\$ 7,317,628	\$ 1,307,755	\$ 8,625,383
Timing of revenue recognition			
At a point time	\$ 7,315,025	\$ 1,286,941	\$ 8,601,966
Over time	2,603	20,814	23,417
Total	<u>\$ 7,317,628</u>	<u>\$ 1,307,755</u>	<u>\$ 8,625,383</u>

For the year ended December 31, 2025	IPC	Medical PC	Total
Revenue from Contracts with Customers	\$ 5,952,617	\$ 1,233,414	\$ 7,186,031
Timing of revenue recognition			
At a point time	\$ 5,950,055	\$ 1,205,260	\$ 7,155,315
Over time	2,562	28,154	30,716
Total	\$ 5,952,617	\$ 1,233,414	\$ 7,186,031

2. Contract liability

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

	2025/12/31	2024/12/31	2024/1/1
Contract Liability - Current:			
Advances from customers	\$ 262,428	\$ 255,146	\$ 216,338
Warranty contract	7,617	8,150	9,226
	<u>270,045</u>	<u>233,296</u>	<u>225,564</u>
Contract Liability - Non-current:			
Advances from customers	25,758	38,290	44,848
Warranty contract	29,623	17,921	13,838
	<u>55,381</u>	<u>56,211</u>	<u>58,686</u>
Total	\$ 325,426	\$ 289,507	\$ 284,250

(2) Recognized income of contract liabilities at January 1

	For the years ended December 31,	
	2025	2024
Beginning balance of contract liabilities		
Recognized income		
Advances from customers	\$ 133,991	\$ 164,014
Warranty contract	8,150	9,149
Total	\$ 142,141	\$ 173,163

(XXI) Interest income

	For the years ended December 31,	
	2025	2024
Interest income from bank deposits	\$ 72,096	\$ 138,579
Interest income from Financial assets measured at amortized cost-current	7,295	6,430
	<u>\$ 79,391</u>	<u>\$ 145,009</u>

(XXII) Other income

	For the years ended December 31,	
	2025	2024
Rental income	\$ 24,020	\$ 21,239
Dividend income	20,756	15,290
	<u>\$ 44,776</u>	<u>\$ 36,529</u>

(XXIII) Other gains and losses

	For the years ended December 31,	
	2025	2024
Net loss on financial assets and liabilities at fair value through profit or loss	\$ 289,806	\$ 218,181
Gain (loss) on Foreign currency exchange	( 166,523 )	204,555
Loss on disposal of property, plant and equipment	( 18 )	( 883 )
Depreciation of investment property, buildings.	( 8,991 )	( 8,244 )
Gain on lease modification	171	542
Government subsidy	2,918	21,511
Other income	36,662	51,177
	<u>\$ 154,025</u>	<u>\$ 486,839</u>

(XXIV) Financial costs

	For the years ended December 31,	
	2025	2024
Interest expenses	\$ 4,778	\$ 3,505
Interest expense on lease liabilities	4,631	5,077
	<u>\$ 9,409</u>	<u>\$ 8,582</u>

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

	For the years ended December 31,					
	2025			2024		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits expenses	\$ 358,145	\$ 1,499,007	\$ 1,857,152	\$ 348,336	\$ 1,300,398	\$ 1,648,734
Depreciation expense	48,690	100,117	148,807	53,512	94,009	147,521
Amortization expenses	1,108	92,606	93,714	1,011	91,100	92,111

(XXVI) Employee benefit expenses

	For the years ended December 31,	
	2025	2024
Salaries and wages	\$ 1,641,848	\$ 1,451,900
Labor and health insurance fees	134,592	120,715
Pension costs	59,355	57,380
Other personnel expenses	21,357	18,739
	<u>\$ 1,857,152</u>	<u>\$ 1,648,734</u>

1. According to the Articles of Incorporation of the Company, the Company accrued employees' compensation at rates of no less than 5% and remuneration of directors and supervisors at rates of no higher than 1%, of the remaining profit after deducting accumulated losses.

2. In 2025 and 2024, based on the percentage stipulated in the Articles of Incorporation, employee compensation was estimated at \$79,548 and \$87,389 respectively, while the remuneration of directors and supervisors were estimated at \$7,146 and \$9,630 respectively, which are recognized as salary expenses and wages.

Employees' compensation and directors' remuneration for 2024 as resolved at the meeting of Board of Directors were in agreement with those amounts recognized in the 2024 financial statements., which were \$87,389 and \$9,630, respectively. Employees' compensation was distributed in cash.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(XXVII) Income tax

1. Income tax expense

(1) Components of income tax expense:

	For the years ended December 31,	
	2025	2024
Current income tax:		
Income tax from current income	\$ 176,628	\$ 180,875
Surtax on undistributed Retained Earnings	1,440	263
Adjustments in respect of prior period	( 5,974 )	( 5,066 )
Total current income tax	<u>172,094</u>	<u>176,072</u>
Deferred tax		
Origination and reversal of temporary differences	( 37,228 )	34,495
Income tax expense	<u>\$ 134,866</u>	<u>\$ 210,567</u>

(2) Income tax relative to other comprehensive income:

	For the years ended December 31,	
	2025	2024
Currency translation differences	( \$ 6,343 )	\$ 15,199
Remeasurement amounts of defined benefit obligations	879	190
	<u>( \$ 5,464 )</u>	<u>\$ 15,389</u>

2. Reconciliation between income tax expense and accounting profit

	For the years ended December 31,	
	2025	2024
Income tax calculated by based on profit before tax and statutory tax rate (Note)	\$ 217,383	\$ 307,055
Expenses disallowed by tax regulation	-	-
Tax exempt income by tax regulation	( 85,137 )	( 101,177 )
Temporary differences unrecognized as deferred tax assets	7,154	9,492
Prior year income tax overestimation	( 5,974 )	( 5,066 )
Income tax on undistributed earnings	1,440	263
Income tax expense	<u>\$ 134,866</u>	<u>\$ 210,567</u>

Note: The basis of the applicable tax rate is depends on the the relevant country regulation.

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

	2025				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Effect of exchange rate changes	December 31
Deferred tax assets:					
Temporary differences:					
Unrealized provisions for warranty	\$ 9,214	\$ 214	\$ -	\$ -	\$ 9,428
Unrealized gross margin	20,796	( 2,221 )	-	-	18,575
Decline in value of inventories	24,785	( 18 )	-	-	24,767
Currency translation differences	-	-	1,870	-	1,870
Others	15,640	( 269 )	2	-	15,373
Subtotal	<u>\$ 70,435</u>	<u>( \$ 2,294 )</u>	<u>\$ 1,872</u>	<u>\$ -</u>	<u>\$ 70,013</u>
Deferred tax liabilities:					
Investment income from foreign investees	( \$ 86,205 )	( \$ 678 )	\$ -	\$ -	( \$ 86,883 )
Depreciation Tax difference	( 130,357 )	17,021	-	-	( 113,336 )
Actuarial gains and losses on defined benefits	( 2,418 )	-	( 881 )	-	( 3,299 )
Currency translation differences	( 12,348 )	-	4,473	-	( 7,875 )
Unrealized exchange gains and losses	( 26,704 )	21,262	-	-	( 5,442 )
Others	( 4,436 )	1,917	-	11	( 2,508 )
Sub-total	<u>( \$ 262,468 )</u>	<u>\$ 39,522</u>	<u>\$ 3,592</u>	<u>\$ 11</u>	<u>( \$ 219,343 )</u>
Total	<u>( \$ 192,033 )</u>	<u>\$ 37,228</u>	<u>\$ 5,464 )</u>	<u>\$ 11</u>	<u>( \$ 149,330 )</u>

	2024				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Effect of exchange rate changes	December 31
Deferred tax assets:					
Temporary differences:					
Unrealized provisions for warranty	\$ 11,025	( \$ 1,811 )	\$ -	\$ -	\$ 9,214
Unrealized gross margin	19,144	1,652	-	-	20,796
Decline in value of inventories	28,718	( 3,933 )	-	-	24,785
Currency translation differences	5,002	-	( 5,002 )	-	-
Others	24,852	( 9,214 )	2	-	15,640
Subtotal	<u>\$ 88,741</u>	<u>( \$ 13,306 )</u>	<u>( \$ 5,000 )</u>	<u>\$ -</u>	<u>\$ 70,435</u>
Deferred tax liabilities:					
Investment income from foreign investees	( \$ 72,688 )	( \$ 13,517 )	\$ -	\$ -	( \$ 86,205 )
Depreciation Tax difference	( 147,626 )	17,269	-	-	( 130,357 )
Actuarial gains and losses on defined benefits	( 2,226 )	-	( 192 )	-	( 2,418 )
Currency translation differences	( 2,151 )	-	( 10,197 )	-	( 12,348 )

	2024				December 31
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Effect of exchange rate changes	
Unrealized exchange gains and losses	-	( 26,704 )	-	-	( 26,704 )
Others	( 6,182 )	1,763	-	( 17 )	( 4,436 )
Sub-total	( \$ 230,873 )	( 21,189 )	( 10,389 )	( 17 )	( \$ 262,468 )
Total	( \$ 142,132 )	( \$ 34,495 )	( \$ 15,389 )	( \$ 17 )	( \$ 192,033 )

4. Deductible temporary differences not recognized as deferred tax assets:

	For the years ended December 31,	
	2025	2024
Deductible temporary differences	\$ 276,351	\$ 240,581

5. The corporate income tax for our company and domestic subsidiaries has been approved by the tax authorities up to the year of 2023.

(XXVIII) Earnings per share

	For the year ended December 31, 2025		
	Amount after-tax	Weighted average outstanding shares (in thousand)	Losses per share (in dollars)
<u>Basic (diluted) losses per share</u>			
Profit attributable to ordinary shareholders of parent company	\$ 705,764	125,678	\$ 5.62
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of parent company	\$ 705,764	125,678	
Dilutive effect of potential ordinary shares			
Employees' bonuses	-	848	
Profit attributable to ordinary shareholders of parent company plus assumed conversion of all dilutive potential ordinary shares	\$ 705,764	126,526	\$ 5.58

	<u>For the year ended December 31, 2024</u>		
	<u>Amount after-tax</u>	<u>Weighted average outstanding shares (in thousand)</u>	<u>Losses per share (in dollars)</u>
<u>Basic (diluted) losses per share</u>			
Profit attributable to ordinary shareholders of parent company	\$ 966,877	125,272	\$ 7.72
<u>Diluted earnings per share</u>			
Dilutive effect of potential ordinary shares			
Employees' bonuses		795	
Profit attributable to ordinary shareholders of parent company plus assumed conversion of all dilutive potential ordinary shares	\$ 966,877	126,067	\$ 7.67

For the periods from January 1 to December 31, 2025, the Company's employee share options had an anti-dilutive effect and were consequently excluded from the calculation of diluted earnings per share.

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

(XXIX) Supplemental cash flow information

Investing activities with partial cash payments:

	<u>For the years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Acquisition of property, plant and equipment	\$ 49,897	\$ 80,927
Add: Opening balance of payable on equipment	557	2,817
Less: Ending balance of payable on equipment	( 12,461 )	( 557 )
Cash paid during the period	\$ 37,993	\$ 83,187

(XXX) Changes in liabilities arising from financing activities

	<u>2025</u>			
	<u>Short-term borrowings</u>	<u>Long-term borrowings (including current portion)</u>	<u>Lease liability</u>	<u>Total</u>
January 1	\$ 80,000	\$ 134,559	\$ 160,925	\$ 375,484
Changes in cash flow from financing	199,102	( 10,613 )	( 72,724 )	115,765
Effect on changes in exchange rate	3,262	-	1,805	5,067
Changes in others without cash flow	-	-	50,264	50,264
Cash paid during the period	\$ 282,364	\$ 123,946	\$ 140,270	\$ 546,580

	Short-term borrowings	Long-term borrowings (including current portion)	Lease liability	Total
January 1	\$ 27,000	\$ 144,975	\$ 148,437	\$ 320,412
Changes in cash flow from financing	53,000	( 10,416 )	( 65,856 )	( 23,272 )
Effect on changes in exchange rate	-	-	1,116	1,116
Changes in others without cash flow	-	-	77,228	77,228
Cash paid during the period	\$ 80,000	\$ 134,559	\$ 160,925	\$ 375,484

VII. Related party transaction

(I) Parent and ultimate controlling party

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

(II) Related parties

<u>Name of related party</u>	<u>Relation</u>
ASUSTEK COMPUTER INC.	Ultimate parent company
IBASE TECHNOLOGY INC.	Associate - Investee accounted for under the equity method
IBASE GAMING INC.	Associate - Subsidiary of IBASE TECHNOLOGY INC.
IBASE (SHANGHAI) TECHNOLOGY INC.	Associate - Subsidiary of IBASE TECHNOLOGY INC.
LITEMAX ELECTRONICS INC.	Associate - Investee accounted for under the equity method
WINMATE INC.	Associate - Investee accounted for under the equity method by the Company's subsidiary
PROTECTLIFE INTERNATIONAL BIOMEDICAL INC.	Associate - Investee accounted for under the equity method by the Company's subsidiary (Note)
ASUS COMPUTER INTERNATIONAL	Fellow subsidiary — same as ultimate parent entity
MEDUS TECHNOLOGY INC.	Fellow subsidiary — same as ultimate parent entity
MACHVISION INC.	Other related party - the Company's Chairman as a director
ATECH OEM INC.	Other related party - the Company's Chairman as a director
FU LI INVESTMENT INC.	Other related party - the Company's Chairman as Fuli's Chairman
EVERFOCUS ELECTRONICS CORP.	Other related party - the Company's Chairman as EVERFOCUS ELECTRONICS CORP's Chairman
EVERFOCUS ELECTRONICS (SHENZHEN) CO., LTD.	Other related party - the Company's Chairman as EVERFOCUS ELECTRONICS CORP's Chairman
EVERFOCUS ELECTRONICS (USA) CORP.	Other related party - the Company's Chairman as EVERFOCUS ELECTRONICS CORP's Chairman

Name of related party	Relation
YAN XIN INVESTMENT Co., Ltd.	Other related party - the Company's Chairman as YAN XIN INVESTMENT Co., Ltd.'s Chairman
QQE TECHNOLOGY CO., LTD.	Other related party - the Company's Chairman as YAN XIN INVESTMENT Co., Ltd.'s Chairman
SPARK TECHNOLOGIES INC.	Other related party - the Company's Chairman is spouse of SPARK TECHNOLOGIES INC.'s Chairman
LYDS THCH.	Other related party - the Company's Chairman is spouse of LYDS TECHNOLOGIES INC.'s Chairman
FU-YANG INVESTMENT INC.	Other related party - the Company's Chairman is spouse of FU-YANG INVESTMENT INC.'s Chairman
JUI HAI INVESTMENT Co., Ltd.	Other related party - the Company's Chairman is spouse of JUI HAI INVESTMENT Co., Ltd.'s Chairman
AAEON EDUCATION FOUNDATION	Other related party - the Company's Chairman as a director
WT MICROELECTRONICS CO.	Other related party - Investee accounted for under the equity method by the Company's Fellow subsidiary
TECHMOSA INTERNATIONAL INC.	Other related party - Investee accounted for under the equity method by the Company's Fellow subsidiary
MORRIHAN INTERNATIONAL CORP.	Other related party - Investee accounted for under the equity method by the Company's Fellow subsidiary
NUVISION TECHNOLOGY, INC.	Other related party - Investee accounted for under the equity method by the Company's Fellow subsidiary
MAXTEK TECHNOLOGY CO., LTD.	Other related party - Investee accounted for under the equity method by the Company's Fellow subsidiary
FUTURE ELECTRONICS INC.	Other related party - Investee accounted for under the equity method by the Company's Fellow subsidiary
FUTURE ELECTRONICS INC.(DISTRIBUTION) PTE LTD.	Other related party - Investee accounted for under the equity method by the Company's Fellow subsidiary

(III) Significant transactions with related parties

1. Operating income

	For the years ended December 31,	
	2025	2024
Sales of goods		
Ultimate parent entity	\$ 1,040	\$ 763
Associates	10,619	8,389
Other related party	28,798	47,625
Total	<u>\$ 40,457</u>	<u>\$ 56,777</u>

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

## 2. Purchases

	For the years ended December 31,	
	2025	2024
Goods purchased		
Ultimate parent entity	\$ 772,767	\$ 766,883
Associates	50,582	33,197
Fellow subsidiary	1,733	3,200
Other related party	141,533	114,704
Total	<u>\$ 966,615</u>	<u>\$ 917,984</u>

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

## 3. Operating expenses

	For the years ended December 31,	
	2025	2024
Ultimate parent entity	\$ 27,896	\$ 80,111
Associates	4,276	2,411
Fellow subsidiary	24	46
Other related party	4,232	8,318
	<u>\$ 36,428</u>	<u>\$ 90,886</u>

(1) The above operating expenses mainly comprised technical service fees, and were presented as operating expenses - R&D expense, The engagement was terminated in September, 2025.

(2) The above operating expenses include the amount donated by the Group to other related parties. The donation amount for 2025 and 2024 fiscal years is \$4,000, aimed at promoting technology education and cultural development, fulfilling corporate social responsibility, and enhancing the corporate image of public welfare.

## 4. Other revenue, income and loss

	For the years ended December 31,	
	2025	2024
Ultimate parent entity (Note)	( \$ 21,423 )	\$ -
Associates	4,125	3,829
Other related party	10,729	10,389
	<u>( \$ 6,569 )</u>	<u>\$ 14,218</u>

Note: Mainly represents compensation to the parent company for losses on inventory disposal.

The above-mentioned other income, other gains and losses mainly consist of directors' and supervisors' remuneration, system maintenance, dividend income, rental income, and service revenue.

5. Receivable from related parties

	2025/12/31	2024/12/31
Accounts Receivables		
Associates	2,379	201
Other related party	3,055	943
Total	\$ 5,434	\$ 1,144
Other Receivables		
Associates	\$ 325	\$ 337
Other related party	212	261
Total	\$ 537	\$ 598

Mainly comprised system service receivable

6. Payables from related parties

	2025/12/31	2024/12/31
Accounts Payable		
Ultimate parent entity	\$ 2,092	\$ 58,151
Associates	4,088	3,353
Fellow subsidiary	160	-
Other related party	14,223	13,737
Total	\$ 20,563	\$ 75,241

7. Other payables

	2025/12/31	2024/12/31
Other Payables		
Ultimate parent entity	\$ -	\$ 43,695
Associates	166	219
Fellow subsidiary	-	15
Other related party	16	-
Total	\$ 182	\$ 43,929

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

8. Assets transaction

(1) Acquisition of intangible assets

	For the years ended December 31	
	2025	2024
Fellow subsidiary	\$ -	\$ 2,992

(2) Acquisition of financial assets

	For the years ended December 31	
	2025	2024
Associates	\$ 9,760	\$ 3,548-

(IV) Key management remuneration

	For the years ended December 31,	
	2025	2024
Salaries and other short-term employee benefits	\$ 93,627	\$ 93,427
Post-employment benefits	2,417	2,170
Stock-based compensation	12,754	802
Total	<u>\$ 108,798</u>	<u>\$ 96,399</u>

VIII. Pledged Assets

The Group's pledged assets are summarized below:

Pledged assets	Book value		Guarantee purpose
	2025/12/31	2024/12/31	
Listed and OTC stocks (Financial asset at fair value through profit or loss – current)	\$ 632	\$ -	Litigation
Demand deposits (Financial assets measured at amortized cost-current)	721		Litigation
Time deposits (Financial assets measured at amortized cost-current)	943	983	Short-term borrowings and Foreign exchange forward transactions
Land, and building (Property, Plant and Equipment, investment property)	683,570	696,266	Loans and credit limits
Guarantee deposits (including Other non-current assets)	47,427	15,739	Office, warehouse deposit and project guarantee deposit.
	<u>\$ 733,293</u>	<u>\$ 712,988</u>	

IX. Material Contingent Liabilities and Unrecognized Contractual Commitments

(I) Contingencies

None.

(II) Commitments

As of December 31, 2025, the Group has issued a promissory note of \$ 450,000 required for the application a comprehensive credit line and transactions of derivatives.

X. Losses Due to Major Disasters

None.

XI. Material Subsequent Events

For the 2025 surplus distribution proposed by the board of directors in February 25, 2026, please refer to Note 6 (19) 6.

XII. Others Matters

(I) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital

structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(II) Financial instrument

1. Type of financial instrument

	<u>2025/12/31</u>	<u>2024/12/31</u>
<u>Financial asset</u>		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	\$ 1,040,402	\$ 746,631
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	186,391	151,048
Financial assets at amortized cost/ loans and receivables		
Cash and cash equivalents	2,429,992	4,270,200
Financial assets measured at amortized cost-current	1,167,199	90,552
Notes receivable	39,264	45,323
Accounts receivable	1,198,062	832,074
Other receivables	54,144	27,186
Refundable deposits (including other non-current assets)	47,427	15,739
	<u>\$ 6,162,881</u>	<u>\$ 6,178,753</u>
<u>Financial liability</u>		
Financial liabilities at amortized cost		
Short-term borrowings	\$ 287	\$ 391
Short-term borrowings	282,364	80,000
Notes payable	18,178	-
Accounts payable (including related parties)	1,019,979	458,745
Other payables	635,313	667,921
Long-term borrowings (including current portion)	123,946	134,559
	<u>\$ 2,080,067</u>	<u>\$ 1,341,616</u>
Lease liabilities (including current and non-current)	<u>\$ 140,270</u>	<u>\$ 160,925</u>

2. Risk management policy

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

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

- (1) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, the Group has exchange forward contracts to hedge certain exchange rate risk. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

- (2) All major financial plans of the Group are reviewed by the Board of Directors in accordance with relevant regulations and the internal control system. In executing financial plans, the Group's Finance Department strictly adheres to documented principles related to overall risk management. In addition, written policies are established for specific areas and matters, such as foreign exchange risk management and financial operation procedures regarding authority and responsibility delineation.
- (3) For information regarding the use of derivative instruments for hedging financial risks, please refer to Note 6, (2).
3. The nature and level of material financial risks

(1) Market risk

Exchange rate risk

- A. The Group's international operations have been subject to exchange rate risks arise from transactions denominated in a currency other than the functional currencies of the Company and its subsidiaries, which includes main currencies such as USD, SGD, EUR and RMB. Related exchange rate risks arise from future business transactions and recognized assets and liabilities.
- B. The management has set up the policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the company's treasury. Exchange rate risk is measured through highly probable forecast transactions that involves expenditures denominated in USD and RMB. Forward foreign exchange contracts are adopted to minimize the volatility of the exchange rate affecting recognition of costs of purchasing inventories.
- C. Since the Group's businesses involves certain non-functional currencies (NTD is the functional currency of the Company and other certain subsidiaries' functional currency is USD, SGD, and CNY), it may be affected by exchange rate fluctuations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

		2025/12/31			
		Foreign currency (in thousands)	Exchange rate	Book value (NTD)	
<b>(Foreign currency: functional currency)</b>					
<u>Financial asset</u>					
<u>Monetary items</u>					
USD:NTD	\$	42,227	31.43	\$	1,327,195
EUR:NTD		1,101	36.90		40,627
USD:CNY		155	6.99		4,872
USD:SGD		828	1.29		26,024
<u>Financial liability</u>					
<u>Monetary items</u>					
USD:NTD	\$	20,014	31.43	\$	629,040
USD:CNY		1,513	6.99		47,554
USD:SGD		641	1.29		20,147

		2024/12/31		
		Foreign currency (in thousands)	Exchange rate	Book value (NTD)
<b>(Foreign currency: functional currency)</b>				
<u>Financial asset</u>				
<u>Monetary items</u>				
USD:NTD	\$	86,322	32.79	\$ 2,830,498
EUR:NTD		852	34.14	29,087
USD:CNY		70	7.32	2,295
USD:SGD		830	1.36	27,216
<u>Financial liability</u>				
<u>Monetary items</u>				
USD:NTD	\$	10,983	32.79	\$ 360,133
USD:CNY		1,059	7.32	34,725
USD:SGD		711	1.36	23,314

D. The overall realized and unrealized foreign exchange gains or (losses) of the Group's monetary items that may be significantly affected by exchange rate fluctuations in 2025 and 2024 were (\$166,523) and \$204,555 respectively.

E. The Group's foreign currency risk analysis due to significant foreign exchange rate fluctuations is as follows:

		For the year ended December 31, 2025		
		Sensitivity analysis		
		Extent of change	Effect on income	Effect on other comprehensive income
<b>(Foreign currency: functional currency)</b>				
<u>Financial asset</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	13,272	\$ -
EUR:NTD	1%		406	-
USD:CNY	1%		49	-
USD:SGD	1%		260	-
<u>Financial liability</u>				
<u>Monetary items</u>				
USD:NTD	1%	\$	6,290	\$ -
EUR:NTD	1%		476	-
USD:SGD	1%		201	-

For the year ended December 31, 2024

	Sensitivity analysis		
	Extent of change		Effect on other comprehensive income
<b>(Foreign currency: functional currency)</b>			
<u>Financial asset</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 28,305	\$ -
EUR:NTD	1%	291	-
USD:CNY	1%	23	-
USD:SGD	1%	272	-
<u>Financial liability</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 3,601	-
EUR:NTD	1%	347	-
USD:SGD	1%	233	-

Price risk

- A. The Group's equity instruments, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity instruments, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- B. The Group mainly invests in equity instruments and open-end funds issued by domestic companies. The value of equity instruments is susceptible to market price risk arising from uncertainties about future performance of equity markets. Assuming a hypothetical increase or decrease of 1% in the price of the aforementioned financial assets at fair value through profit or loss while the other conditions remain unchanged could increase or decrease net income for the years ended December 31, 2025 and 2024 by \$8,997 and \$5,932, respectively. A change of 1% in the price of the aforementioned financial assets at fair value through other comprehensive income could increase or decrease the Group's other comprehensive income for the years ended December 31, 2025 and 2024, amounted to \$1,864 and \$1,510.

Cash flow and fair value interest rate risk

- A. The Group's interest rate risk arises mainly from long-term and short-term borrowings issued at variable rates, which exposes the Group to cash flow interest rate risk is partially offset by cash and cash equivalents held at variable rates. During the six months periods ended Dec.31, 2025 and 2024, the Group's borrowings at variable rate were mainly denominated in NTD and CNY.
- B. Assuming all other factors remain unchanged, if the NTD borrowing rate rises or falls by 0.25%, net income for the nine months period ended Dec.31, 2025 and 2024 will decrease or increase by \$802nd \$429 respectively, mainly due to changes in interest expenses that arise from floating rate borrowings.

(2) Credit risk

- A. The Group's credit risk refers to the risk that the counterparty to a financial instrument will cause a financial loss for the Group by failing to discharge its obligation under the contract, which is mainly due to the inability of

counterparties to meet the terms of their contracts for collecting the cash flows of the receivables.

- B. The Group establishes credit risk policies based on its own risk management perspective. In accordance with internal credit policies, credit risks are required to be managed and analyzed before each of the Group's operating entity set up the terms and conditions for payment and delivery for each new customer. The internal risk control system evaluates the customers' credit quality based on their financial conditions, past experience and other factors. Individual risk exposure limits are set by the board of directors based on internal or external risk ratings, and credit lines are monitored on a regular basis.
- C. The Group adopts IFRS 9 to provide a presumption that default has occurred when contractual payments are more than 90 days past due.
- D. The Group adopts IFRS 9 to provide the following presumption as basis for judging whether the credit risk on a financial instrument has increased significantly since the initial recognition:  
It is deemed that credit risk after the original recognition of financial assets has increased significantly when contractual payments are more than 30 days past due.
- E. The customers' accounts receivable are segmented based on customer type. A simplified loss rate approach is used for ECL measurement based on the provision matrix.
- F. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
- It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
  - The disappearance of an active market for that financial asset because of financial difficulties;
  - Default or delinquency in interest or principal repayments;
  - Adverse changes in national or regional economic conditions that are expected to cause a default.
  - The internal or external credit rating of the instrument is "in default".
  - The condition which met the breach of contract by the debtor or others was assessed case-by-case.
- G. The Group has written off the recoverable amount of financial assets that could not reasonably be estimated after recourse, but will continue to pursue recourse to preserve its rights. As of December 31, 2025, and 2024, the Group had no recourse on claims that had been written off.
- H. (1) Expected loss rate for customers of the outstanding credit group is estimated at 0.2%. Total accounts receivable and loss provisions for this group of customers were reported at: \$130,012 and \$260 as of December 31, 2025; \$128,118 and \$256 as of December 31, 2024.
- (2) The Group considers the world economic outlook and future prospects when adjusting the loss rate that is set up based on historical and current loss period information, in order to estimate the loss of notes receivables and allowance for doubtful accounts of customers with general credit quality. The provision matrix as of December 31, 2025 and 2024 is as follows:

	Not yet due	Past due within 30 days	Past due 30 days	Past due 60 days	Past due 90 days	Past due 120 days	Total
2025/12/31							
Expected loss rate	0.03%~3.98%	0.03%~14.21%	0.03%~30.13%	0.04%~91.72%	100%	100%	
Total book value	\$ 966,689	\$ 94,246	\$ 68,510	\$ 5,139	\$ 4,220	\$ 32,978	\$ 1,171,782
Loss allowance	\$ 14,942	\$ 5,009	\$ 10,299	\$ 2,194	\$ 4,220	\$ 32,978	\$ 69,642

	Not yet due	Past due within 30 days	Past due 30 days	Past due 60 days	Past due 90 days	Past due 120 days	Total
2025/12/31							
Expected loss rate	0%~1.37%	0%~7.20%	0.01%~13.00%	0.03%~38.56%	50%~100%	100%	
Total book value	\$ 575,096	\$ 168,535	\$ 7,101	\$ 1,562	\$ 5,840	\$ 14,314	\$ 772,448
Loss allowance	\$ 1,186	\$ 2,813	\$ 238	\$ 32	\$ 5,474	\$ 14,314	\$ 24,057

(3) The expected loss rate for creditworthy related parties is 0.2%. As of December 31, 2025, and December 31, 2024, the total book value of accounts receivable from related parties amounted to \$5,434 and \$1,144, respectively, with no provision for bad debts.

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

	Notes and accounts receivable (including related parties)	
	2025	2024
January 1	\$ 24,313	\$ 19,864
Recognition	43,928	3,745
Write-offs	( 6 )	-
Net exchange differences	1,667	704
December 31	\$ 69,902	\$ 24,313

From the loss recognized for the years ended December 31, 2025 and 2024, the impairment losses for accounts receivable arising from customer contracts were \$43,928 and \$3,745, respectively.

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

(3) Liquidity risk

- A. Cash flow is forecasted by each of the Group's operating entity and summarized by the finance department. The Group's finance department monitors liquidity forecasting to ensure that it has sufficient funds to meet the operational requirements.
- B. The Group had available borrowing limits of \$1,407,794 and \$1,303,917 as of December 31, 2025 and 2024, respectively.
- C. The table below analyzes the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date, whereas derivative financial liabilities are analyzed based on the remaining period at the balance sheet date to the expected maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

2025/12/31

Non-derivative financial liabilities:

	Within 1 year	1-2 years	2-3 years	Over 3 years
Short-term borrowings (including expected interest)	\$ 282,799	\$ -	\$ -	\$ -
Notes payable	18,178			
Accounts payable (including related parties)	1,019,979	-	-	-
Other payables	635,313	-	-	-

2025/12/31				
<u>Non-derivative financial liabilities:</u>				
	Within 1 year	1-2 years	2-3 years	Over 3 years
Long-term borrowings (including current portion and accrued interest)	13,174	13,174	13,174	97,723
Lease liabilities	72,503	33,721	14,704	27,184
<u>Derivative financial liabilities:</u>				
Forward Exchange Contract	\$ 287	-	-	-
2024/12/31				
<u>Non-derivative financial liabilities:</u>				
	Within 1 year	1-2 years	2-3 years	Over 3 years
Short-term borrowings (including expected interest)	\$ 80,150	\$ -	\$ -	\$ -
Accounts payable (including related parties)	458,745	-	-	-
Other payables	667,921	-	-	-
Long-term borrowings (including current portion and accrued interest)	13,174	13,174	13,174	110,897
Lease liabilities	67,210	53,501	15,348	34,583
<u>Derivative financial liabilities:</u>				
Forward Exchange Contract	\$ 391	-	-	-

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

(III) Information on fair value

1. The various levels of fair value measurement of financial and non-financial instruments are defined as follows:

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

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

Level 3: Unobservable inputs for the asset or liability. This includes equity instruments of non-active markets invested by the Group.

2. For fair value information on investment property measured at cost, please refer to Note 6(10).
3. Financial instruments not measured at fair value

(1) Except for those listed in the table below, the carrying amounts of cash and cash equivalents, financial assets at amortized cost, notes and accounts

receivables, other receivables, refundable deposits, short-term borrowings, notes and accounts payables, other payables, current portion of long-term borrowings, long term borrowings, lease liabilities, are reasonably approximate to the fair values.

	2025/12/31			
	Book value	Fair value		
		Level 1	Level 2	Level 3
<u>financial assets</u>				
Financial assets at amortized cost current				
Corporate bonds	\$ 15,535	\$ -	\$ 15,519	\$ -

(2) The fair value of corporate bonds is measured based on quoted market prices provided by third-party institutions.

4. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at 2025 and 2024 is as follows:

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

2025/12/31	1st Level	2nd Level	3rd Level	Total
<b>Asset</b>				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 691,953	\$ 6,900	\$ 200,844	\$ 899,697
Beneficiary certificates	27,763	-	-	27,763
Convertible bond	105,000	-	-	105,000
Hybrid instruments	-	-	7,942	7,942
Financial asset at fair value through other comprehensive income				
Equity securities	85,591	100,800	-	186,391
Total	\$ 910,307	\$ 107,700	\$ 208,786	\$ 1,226,793

Liabilities

Recurring fair value measurements

Financial liabilities at fair value through profit or loss

Derivative	\$ -	\$ 287	\$ -	\$ 287
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2024/12/31

**Asset**

Recurring fair value measurements

Financial assets at fair value through profit or loss

Equity securities	\$ 474,613	\$ 5,055	\$ 113,493	\$ 593,161
Beneficiary certificates	27,352	-	-	27,352
Convertible bond	118,000	-	-	118,000
Hybrid instruments	-	-	8,118	8,118

Financial asset at fair value through other comprehensive income

Equity securities	89,848	-	61,200	151,048
Total	\$ 709,813	\$ 5,055	\$ 182,811	\$ 897,679

2024/12/31	<u>1st Level</u>	<u>2nd Level</u>	<u>3rd Level</u>	<u>Total</u>
Liabilities				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through profit or loss				
Derivative	\$ -	\$ 391	\$ -	\$ 391

- (2) The Group's approaches and assumptions for fair value measurement are as follows:
- A. The Group adopts quoted prices as inputs used to measure fair value (level 1) which are classified as follows based on the characteristics of the financial instruments:

	<u>Listed and OTC stocks</u>	<u>Open-end funds</u>	<u>Convertibal bond</u>
Market quoted price	Closing prices	Net asset value	The weighted average hundred-dollar price

- B. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes.
- C. The Group adopts valuation techniques widely used by market participants for evaluating non-standardized and less complex financial instruments. The parameters used in the valuation models of such financial instruments are usually market observable information.
- D. The evaluation of derivatives is based on the valuation model generally accepted by market users, such as the discount method. Foreign currency forward contracts are usually evaluated based on the current forward exchange rates.
- E. The output of the evaluation model is an estimated value, and the valuation technique may not reflect all the relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value of the valuation model will be adjusted based on additional parameters, such as the model risk or liquidity risk. According to the Group's management policies of fair value valuation model and related control procedures, its management believes that valuation adjustments are appropriate and necessary for the fair values of financial and non-financial instruments to be presented fairly in the consolidated balance sheet. The price information and parameters used in the evaluation process are carefully evaluated, with appropriate adjustments according to current market conditions.

5. For the year ended December 31, 2025 and 2024, there was no transfer between Level 1 and Level 2.
6. The following table shows changes in 3rd level inputs in 2025 and 2024:

	<u>2025</u>	<u>2024</u>
	<u>Equity instruments</u>	<u>Equity instruments</u>
January 1	\$ 182,811	\$ 63,720
Acquired in the period	-	111,200
Decrease in the period	-	( 1,877 )
Transfer out 3rd Level	( 61,200 )	-
Recognized in profit (loss) (Note 1)	87,175	9,768
December 31	<u>\$ 208,786</u>	<u>\$ 182,811</u>

Changes in unrealized gains or losses on assets and liabilities owned at the end of the period (Note)	<u>\$ 87,175</u>	<u>\$ 9,768</u>
-------------------------------------------------------------------------------------------------------	------------------	-----------------

Note: Recognized as other gains (losses).

7. As the Group's Level 3 equity instruments were registered on the Emerging Stock Board in May 2025, with trading volume in the market steadily increasing and sufficient observable market information becoming available, the Group transferred the fair value measurement from Level 3 to Level 2 at the end of the month in which the event occurred. There were no transfers into or out of Level 3 during the period from January 1 to December 31, 2024.

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

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

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

	2025/12/31 Fair value	Valuation technique	Significant and unobservable input	Range (weighted average)	Relationship between input and fair value
<u>Equity instruments:</u>					
Unlisted and non-OTC stocks	\$ 118,063	Net asset value approach	Not applicable	Not applicable	The higher the net assets value, the higher the fair value Note 2
Unlisted and non-OTC stocks	82,781	Market Price Approach	Note 1	Not applicable	Note 2
<u>Hybrid instrument:</u>					
Unlisted and non-OTC stocks	56,127	Discounted Cash Flow method	Note 1	Not applicable	Note 2
Embedded option	( 48,185 )	Options pricing model	Stock price volatility	Not applicable	The higher the stock price volatility, the higher the fair value
	2024/12/31 Fair value	Valuation technique	Significant and unobservable input	Range (weighted average)	Relationship between input and fair value
<u>Equity instruments:</u>					
Unlisted and non-OTC stocks	\$ 94,133	Net asset value approach	Not applicable	Not applicable	The higher the net assets value, the higher the fair value

	2024/12/31 Fair value	Valuation technique	Significant and unobservable input	Range (weighted average)	Relationship between input and fair value
Unlisted and non-OTC stocks	80,560	Discounted Cash Flow method	Note 1	Not applicable	Note 2
<u>Hybrid instrument:</u>					
Unlisted and non-OTC stocks	40,278	Discounted Cash Flow method	Note 1	Not applicable	Note 2
Embedded option (	32,160)	Options pricing model	Stock price volatility	Not applicable	The higher the stock price volatility, the higher the fair value

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

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

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

### XIII. Disclosures

#### (1) Information on significant transactions

- A. Financing provided: None.
- B. Endorsements and guarantees provided: None.
- C. Marketable securities held at the end of period (excluding investments in subsidiaries, associates and joint ventures): Please refer to schedule 1.
- D. Total purchases from or sales to related parties of at least \$100 million or 20% of the paid-in capital: Please refer to schedule 2.
- E. Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: Please refer to schedule 3.
- F. Intercompany relationships and significant intercompany transactions: Please refer to Schedule 4.

#### (2) Information on investees

Names, locations and related information of investees (excluding investments in China): Please refer to Schedule 5.

#### (3) Information on investments in China

- A. Basic information: Please refer to Schedule 6.
- B. Information on investments in China - Investee significant transactions for invested businesses in China, either directly or indirectly through a third area: Schedule 4.

XIV. Segment information

(1) General information

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

(2) Measurement of segment information

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

(3) Segment information

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

	For the year ended December 31, 2025				
	AAEON Group	AOH Group	JETWAY Group	Elimination	Total
Revenue from external customers	\$ 6,214,388	\$ 1,307,755	\$ 1,103,240	\$ -	\$ 8,625,383
Revenue from internal segments	98,770	5,533	303,260	( 407,563 )	-
Segment revenue	<u>\$ 6,313,158</u>	<u>\$ 1,313,288</u>	<u>\$ 1,406,500</u>	<u>( \$ 407,563 )</u>	<u>\$ 8,625,383</u>
Segment profit or loss	<u>\$ 722,913</u>	<u>\$ 121,908</u>	<u>\$ 104,461</u>	<u>\$ -</u>	<u>\$ 949,282</u>
Segment profit or loss includes:					
Depreciation and amortization	<u>\$ 110,544</u>	<u>\$ 21,809</u>	<u>\$ 119,159</u>	<u>\$ -</u>	<u>\$ 251,512</u>
Segment assets	<u>\$ 12,261,591</u>	<u>\$ 2,153,687</u>	<u>\$ 2,219,474</u>	<u>( \$ 1,768,406 )</u>	<u>\$ 14,866,346</u>
	For the year ended December 31, 2024				
	AAEON Group	AOH Group	JETWAY Group	Elimination	Total
Revenue from external customers	\$ 4,718,098	\$ 1,233,414	\$ 1,234,519	\$ -	\$ 7,186,031
Revenue from internal segments	75,364	7,837	17,054	( 100,225 )	-
Segment revenue	<u>\$ 4,793,462</u>	<u>\$ 1,241,251</u>	<u>\$ 1,251,573</u>	<u>( \$ 100,225 )</u>	<u>\$ 7,186,031</u>
Segment profit or loss	<u>\$ 962,863</u>	<u>\$ 206,407</u>	<u>\$ 180,717</u>	<u>\$ -</u>	<u>\$ 1,349,987</u>
Segment profit or loss includes:					
Depreciation and amortization	<u>\$ 108,641</u>	<u>\$ 20,704</u>	<u>\$ 118,531</u>	<u>\$ -</u>	<u>\$ 247,876</u>
Segment assets	<u>\$ 11,524,712</u>	<u>\$ 2,106,193</u>	<u>\$ 2,307,317</u>	<u>( \$ 1,611,980 )</u>	<u>\$ 14,326,242</u>

Note: Interdepartmental revenue has been eliminated to \$0.

- (4) Reconciliation for segment income  
Adjustment is not required as the Group's reportable segment profit and loss are equivalent to the income (loss) from continuing operations.

- (5) Geographical information

Geographical information for the years ended December 31, 2025 and 2024 is as follows:

	2025		2024	
	Income	Non-current assets	Income	Non-current assets
Taiwan	\$ 3,033,436	\$ 1,813,743	\$ 2,867,694	\$ 1,913,824
China	1,006,523	429,240	576,771	445,753
Singapore	145,591	12	134,128	1,404
USA	2,171,485	163,413	1,660,483	177,457
Europe	2,268,348	35,486	1,946,955	36,807
Total	\$ 8,625,383	\$ 2,441,894	\$ 7,186,031	\$ 2,575,245

The above non-current assets exclude financing instruments, deferred income tax assets and certain other non-current assets.

- (6) Major customer information

For the years ended December 31, 2025 and 2024, none of the Group's individual external customers accounted for more than 10% of consolidated net operating revenue.

## AAEON Technology Inc and Subsidiaries

## MARKETABLE SECURITIES HELD

(EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)

DECEMBER 31, 2025

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

Schedule 1

Holding company	Marketable securities type and name				2025/12/31				
	Type	Name (Note 1)	Relationship with the Company	Financial Statement Account	Shares	Carrying value (Note2)	Percentage of Ownership (%)	Fair value	Remarks (Note3)
AAEON Technology Inc.	Fund	Mega Diamond Money Market	None	Financial assets at fair value through profit or loss - current	2,091,070	\$ 27,763	-	\$ 27,763	None
"	Stock	MACHVISION, INC.	Other related party - the Company's Chairman as a director	Financial assets at fair value through profit or loss - non-current	1,298,217	685,459	2.03	685,459	"
"	"	Allied Biotech Co.	None	"	300,000	6,900	0.31	6,900	"
"	"	LILEE SYSTEMS Ltd.	"	Financial assets at fair value through profit or loss - non-current	468,750	-	-	-	"
"	"	TELEION WIRELESS, INC.	"	"	149,700	-	-	-	"
"	"	InSynerger Technology Co., Ltd.	"	"	1,761,300	82,781	10.48	82,781	"
"	"	AAEON Technology Ltd.	"	"	29	7,942	14.50	7,942	Note 4
"	"	Shinhan Card Co.,Ltd.	"	"	"	"	"	"	"
"	Bond	U.S.\$300,000,0001.375 per cent SeniorUnsecured SocialNotes due 2026	"	Financial assets measured at amortized cost-current	-	15,535	-	15,519	None
AAEON INVESTMENT, CO., LTD.	Convertible Bond	IBASE TECHNOLOGY INC.	Associate - Investee accounted for under the equity method	Financial assets at fair value through profit or loss - current	-	105,000	-	105,000	"
ONYX HEALTHCARE INC	Stock	TOP UNION ELECTRONICS CORP.	"	Financial assets at fair value through profit or loss - current	223,918	6,494	0.15	6,494	Note 5
"	"	INNO FUND III	"	Financial assets at fair value through profit or loss - non-current	3,000,000	38,511	13.04	38,511	"
"	"	MELTEN CONNECTED HEALTHCARE INC.	"	Financial asset at fair value through other comprehensive income - non-current	4,193,548	-	6.61	-	"
"	"	TOP UNION ELECTRONICS CORP.	"	"	2,951,4003	85,591	1.92	85,591	"
"	"	CREATIVE LIFE SCIENCE CO., LTD.	"	"	900,000	100,800	4.02	100,800	"
JETWAY INFORMATION CO., LTD.	Stock	Dunpin No.1 Innovative Investment Co., Ltd.	"	Financial assets at fair value through profit or loss - non-current	2,000,000	37,563	5.31	37,563	"
"	"	Northeast Tech Star II Venture Capital Co., Ltd.	"	"	3,000,000	41,989	10.00	41,989	"

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

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

Note3: All pledged securities, due to the provision of guarantees for long-term borrowings or other contractual restrictions on use, shall disclose in this section the type of pledged securities, the pledged amount, and the extent of restricted use.

Note4: Formerly named -Net AAEON Corporation Ltd., Hybrid contract with embedded options.

Note5: Due to litigation, 22 thousand shares were pledged, totaling \$632.

Schedule 1 Page 1

AAEON Technology Inc and Subsidiaries

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

FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 2

(Amounts in thousands of New Taiwan dollars, Unless Specified Otherwise)  
Reasons for difference  
between the related party  
transaction terms and the  
arms length terms of  
transaction (Note)

Company Name	Related Party	Nature of Relationship	Purchase (sales)	Transaction			Reasons for difference between the related party transaction terms and the arms length terms of transaction (Note)		Accounts and notes receivable (payable)		Note
				Amount	Percentage to total purchase (sales) (%)	Payment terms	Unit Price	Payment terms	Ending Balance	Percentage to total accounts and notes receivable or payable (%)	
AAEON TECHNOLOGY INC.	ASUSTEK COMPUTER INC.	Parent	Purchases	\$ 772,767	19.84	month-end 30 days	\$ -	-	( \$ 2,092 )	( 0.32 )	
"	AAEON TECHNOLOGY (EUROPE) B.V.	Subsidiary	(Sales)	( 1,573,242 )	( 32.87 )	60 days after invoice date	-	-	272,637	37.81	
"	AAEON ELECTRONICS, INC.	"	"	( 976,282 )	( 20.40 )	"	-	-	152,324	21.12	
"	AAEON TECHNOLOGY (SUZHOU) INC.	"	"	( 201,501 )	( 4.21 )	month-end 60 days	-	-	46,624	6.47	
ONYX HEALTHCARE INC.	ONYX HEALTHCARE USA, INC.	"	"	( 296,857 )	( 28.26 )	month-end 90 days	-	-	101,114	54.02	
"	ONYX HEALTHCARE EUROPE B.V.	"	"	( 106,361 )	( 10.12 )	"	-	-	26,072	13.93	
JETWAY INFORMATION CO., LTD.	JETWAY COMPUTER CORP.	"	"	( 222,469 )	( 15.82 )	month-end 30-60 days	-	-	45,008	16.82	
"	JETWAY COMPUTER B.V.	"	"	( 109,529 )	( 7.79 )	"	-	-	-	-	
FUJIAN CANDID INTERNATIONAL CO., LTD	JETWAY COMPUTER CORP.	Parent	"	( 179,895 )	( 12.79 )	month-end 30-90 days	-	-	-	-	
"	AAEON TECHNOLOGY (SUZHOU) INC.	Fellow subsidiary	"	( 301,128 )	( 21.41 )	month-end 30-60 days	-	-	196,036	73.27	

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

AAEON Technology Inc. and Subsidiaries

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

DECEMBER 31, 2025

Schedule 3

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

Company Name	Related Party	Nature of Relationship	Ending balance (Note)	Turnover (%)	Overdue		Amounts Received in Subsequent Period	Loss allowance
					Amount	Action taken		
AAEON TECHNOLOGY INC.	AAEON TECHNOLOGY (EUROPE) B.V.	Subsidiary	\$ 272,637	5.89	\$ -	-	\$ 213,463	\$ -
	AAEON ELECTRONICS, INC.	“	152,324	9.35	-		152,324	-
ONYX HEALTHCARE INC.	ONYX HEALTHCARE USA, INC.	“	101,114	3.70	-		61,270	-
FUJIAN CANDID INTERNATIONAL CO., LTD	AAEON TECHNOLOGY (SUZHOU) INC.	Fellow subsidiary	196,036	3.00	178,754	Subsequently recovered after the reporting period.	187,441	-

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

AAEON Technology Inc. and Subsidiaries  
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
(ONLY TRANSACTIONS AMOUNTING TO AT LEAST \$100 MILLION ARE DISCLOSED)  
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 4 (Amounts in thousands of New Taiwan dollars, Unless Specified Otherwise)

Serial No. (Note 1)	Company Name	Related Party	Nature of relationships (Note 2)	Intercompany transaction			As a percentage of consolidated revenues or total assets (%) (Note 3)
				Financial Statement Account	Amount	Terms	
0	AAEON TECHNOLOGY INC.	AAEON TECHNOLOGY (EUROPE) B. V.	1	Net sales	\$ 1,573,242	60 days after invoice date	18.24%
"	"	AAEON ELECTRONICS, INC.	1	Net sales	976,282	"	11.32%
"	"	AAEON TECHNOLOGY (SUZHOU) INC.	1	Net sales	201,501	month-end 60 days	2.34%
"	"	AAEON TECHNOLOGY (EUROPE) B. V.	1	Account receivable	272,637	60 days after invoice date	1.83%
"	"	AAEON ELECTRONICS, INC.	1	Account receivable	152,324	"	1.02%
1	ONYX HEALTHCARE INC.	ONYX HEALTHCARE USA, INC.	3	Net sales	296,857	month-end 90 days	3.44%
"	"	ONYX HEALTHCARE EUROPE, B.V.	3	Net sales	106,361	"	1.23%
"	"	ONYX HEALTHCARE USA, INC.	3	Account receivable	101,114	"	0.68%
3	JETWAY INFORMATION CO., LTD.	JETWAY COMPUTER CORP.	3	Net sales	222,469	month-end 30-60 days	2.58%
3	"	JETWAY COMPUTER B.V.	3	Net sales	109,529	"	1.27%
2	FUJIAN CANDID INTERNATIONAL CO., LTD	JETWAY INFORMATION CO., LTD.	2	Net sales	179,895	month-end 30-90 days	2.09%
3	"	AAEON TECHNOLOGY (SUZHOU) INC.	3	Net sales	301,128	month-end 30-60 days	3.49%
3	"	AAEON TECHNOLOGY (SUZHOU) INC.	3	Account receivable	196,036	"	1.32%

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

- (1) Parent company is numbered 0.
- (2) Subsidiaries are numbered sequentially according to company name from Arabic numeral 1.

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

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

- (1) Parent company to subsidiary
- (2) Subsidiary to parent company
- (3) Subsidiary to subsidiary

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

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

AAEON Technology Inc. and Subsidiaries  
 NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE  
 (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)  
 FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 5

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

Name of investor	Name of investee	Location	Main businesses and products	Original Investment		Balance as of December 31, 2025			Investee profit or loss for the period (Note 2)	Profits or losses on investment recognized for the period (Note 2)	Remarks
				2025/12/31	2024/12/31	Shares	Percentage (%)	Carrying Amount			
AAEON TECHNOLOGY INC.	AAEON ELECTRONICS, INC.	USA	Sales of IPC and PC peripherals	\$ 154,007	\$ 160,647	490,000	100.00	\$ 367,877	\$ 21,929	\$ 21,927	Subsidiary
"	AAEON TECHNOLOGY, CO., LTD	British Virgin Islands	Investment of IPC and interface card	276,807	288,741	8,807,097	100.00	105,882	( 35,769 )	( 35,373 )	Subsidiary
"	AAEON TECHNOLOGY (EUROPE) B.V.	Netherlands	Sales of IPC and PC peripherals	3,690	3,414	-	100.00	53,697	( 33,162 )	( 33,162 )	Subsidiary
"	AAEON TECHNOLOGY SINGAPORE PTE. LTD.	Singapore	Sales of IPC and PC peripherals	14,263	14,076	465,840	100.00	70,520	605	605	Subsidiary
"	AAEON INVESTMENT, CO., LTD.	Taiwan	Investment of IPC and PC peripherals	150,000	150,000	15,000,000	100.00	126,588	( 12,965 )	( 12,965 )	Subsidiary
"	ONYX HEALTHCARE INC.	"	Design, manufacture and sales of medical PC	172,368	172,368	18,694,958	47.85	740,843	112,133	53,701	Subsidiary
"	LITEMAX ELECTRONICS INC.	"	Sales of PC peripherals	70,218	70,218	5,015,050	11.82	106,719	95,400	9,022	Investee companies accounted for using the equity method
"	IBASE TECHNOLOGY INC.	"	Manufacturing and sales of industrial motherboards	3,498,501	3,498,501	52,921,856	26.57	3,032,301	210,813	( 29,797 )	Investee companies accounted for using the equity method
"	JETWAY INFORMATION CO., LTD.	"	Manufacturing and selling of industrial motherboard and computer peripherals	892,474	892,468	19,845,958	35.29	822,121	152,747	27,403	Subsidiary

AAEON Technology Inc. and Subsidiaries  
 NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE  
 (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)  
 FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 5

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

Name of investor	Name of investee	Location	Main businesses and products	Original Investment		Balance as of December 31, 2025			Investee profit or loss for the period (Note 2)	Profits or losses on investment recognized for the period (Note 2)	Remarks
				2025/12/31	2024/12/31	Shares	Percentage (%)	Carrying Amount			
AAEON TECHNOLOGY (EUROPE) B.V.	AAEON TECHNOLOGY GMBH	Germany	Sales of IPC and PC peripherals	\$ 1,107	\$ 1,024	-	100.00	\$ 28,187	\$ 1,481	-	Subsidiaries of the Company
ONYX HEALTHCARE INC.	ONYX HEALTHCARE USA, INC.	USA	Sales of medical PC and peripherals	62,860	65,570	200,000	100.00	91,361	( 4,480 )	-	Subsidiaries of the Company
"	ONYX HEALTHCARE EUROPE B.V.	Netherlands	Marketing support and maintenance of medical PC and peripherals	3,690	3,414	100,000	100.00	49,925	9,575	-	Subsidiaries of the Company
"	IHELPER INC.	Taiwan	R&D and sales of medical robots	-	16,560	-	-	-	( 804 )	-	Note 3
"	WINMATE INC.	"	Bid quotations, distributions and sales of LCD application equipment and modules	568,585	568,585	10,244,000	12.73	658,831	592,808	-	Investee companies accounted for using the equity method
"	ProtectLife International Biomedical INC.	"	Manufacturing and Wholesale of Medical Devices and Consumables	57,688	47,928	3,300,000	13.18	33,752	( 49,704 )	-	Investee companies accounted for using the equity method
JETWAY INFORMATION CO., LTD.	JETWAY COMPUTER CORP.	USA	Selling and repairing of computer peripheral equipment	119,434	124,583	380	100.00	211,712	16,105	-	Subsidiaries of the Company
"	JETWAY COMPUTER B.V.	Netherlands	Selling and repairing of computer peripheral equipment	696	729	40	100.00	33,036	475	-	Subsidiaries of the Company

AAEON Technology Inc. and Subsidiaries  
 NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE  
 (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)  
 FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 5

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

Name of investor	Name of investee	Location	Main businesses and products	Original Investment		Balance as of December 31, 2025			Investee profit or loss for the period (Note 2)	Profits or losses on investment recognized for the period (Note 2)	Remarks
				2025/12/31	2024/12/31	Shares	Percentage (%)	Carrying Amount			
JETWAY INFORMATION CO., LTD.	JETWAY (FAR EAST) INFORMATION COMPANY LIMITED	British Virgin Islands	Investing of computer peripheral business	\$ 2,660	\$ 101,130	84,634	100.00	( \$ 11,482 )	\$ 5,660	-	Subsidiaries of the Company
"	TOP NOVEL ENTERPRISE CORP.	Seychelles	Investing of computer peripheral business	556,327	580,311	17,700,500	100.00	490,661	12,356	-	Subsidiaries of the Company
JETWAY (FAR EAST) INFORMATION COMPANY LIMITED	SCORETIME INVESTMENT LIMITED	British Virgin Islands	Investing of computer peripheral business	-	99,490	-	-	-	12,954	-	Note 4
TOP NOVEL ENTERPRISE CORP.	CANDID INTERNATIONAL CORP.	"	Investing of computer peripheral business	535,882	558,984	17,050,000	100.00	486,885	12,327	-	Subsidiaries of the Company "

Note 1: Where a publicly listed company has established an overseas holding company and consolidated financial statements are required under local laws and regulations to be the primary financial statements, the disclosure of information regarding overseas investee companies may be limited to the relevant information of the holding company.

Note 2: For situations other than those specified in Note 1, the information shall be completed in accordance with the following provisions:

(1) The items "Name of Investee Company," "Location," "Major Business Activities," "Original Investment Amount," and "Shareholding at the End of the Period" shall be presented in sequence according to the Company's investment structure, including direct and indirect investments and subsequent reinvestments by each investee company under direct or indirect control. The relationship between each investee company and the Company (e.g., subsidiary or second-tier subsidiary) shall be indicated in the remarks column.

(2) The item "Profit (Loss) for the Current Period" shall reflect the profit or loss incurred by each investee company during the current period.

(3) The column "Investment Income (Loss) Recognized for the Current Period" is required to be completed only for the profit or loss recognized by the Company from its directly invested subsidiaries and from investee companies accounted for using the equity method. The remaining items may be left blank. When completing the item "Profit (Loss) of Directly Invested Subsidiaries Recognized for the Current Period," it should be confirmed that the profit or loss of each subsidiary for the current period already includes the investment income or loss from its reinvestments that is required to be recognized in accordance with applicable regulations.

Note 3: Pursuant to a resolution approved at an extraordinary shareholders' meeting held on September 10, 2025, resolved to proceed with dissolution and liquidation, with the same date designated as the effective date of dissolution. Accordingly, the Group lost control over IHEALPER as of that date. As of Dec 31, 2025, the liquidation process remained ongoing and had not yet been completed.

Note 4: In July 2025, the Company's Board of Directors resolved to dissolve and liquidate the Company. As of Dec 31, 2025, the liquidation process remained ongoing and had not yet been completed.

AAEON Technology Inc. and Subsidiaries  
INFORMATION ON INVESTMENT IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2025

Schedule 6

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

Investee Company	Main Businesses	Total Amount of Paid-in Capital	Methods of investment (Note 1)	Beginning Balance of Accumulated Outflow of Investment from Taiwan	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Investee profit or loss for the period	The Company's direct or indirect holding percentage	Share of Profits / Losses	Carrying Amount as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024	Remarks
					Outflow	Inflow							
AAEON TECHNOLOGY (SUZHOU) INC.	Production and sales of IPC and interface card	\$ 273,135	2	\$ 273,135	\$ -	\$ -	\$ 273,135	( \$ 35,560 )	100%	( \$ 35,560 )	\$ 114,188	\$ -	Note.2(2)B
ONYX HEALTHCARE (SHANGHAI) LTD	Sales of medical PC and peripherals	73,861	1	69,146	4,715	-	73,861	( 2,103 )	100%	( 2,103 )	3,770	-	Note.2(2)B
FUJIAN CANDID INTERNATIONAL CO., LTD	Manufacturing and selling of computer and peripheral equipment	534,310	2	534,310	-	-	534,310	12,315	100%	12,315	485,236	-	Note.2(2)B

Company Name	Ending Balance of Accumulated Investment in Mainland China	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
AAEON Technology Inc.	\$ 273,135	\$ 273,135	\$ 7,145,888
Onyx Technology Inc.	73,861	73,861	942,058
JETWAY INFORMATION CO., LTD.	534,310	534,310	781,719

Note 1: The methods of investment are listed below, please mark the category on schedule:

- (1) Investment in China companies directly.
- (2) Investment in China companies through AAEON TECHNOLOGY CO., LTD and CANDID INTERNATIONAL CORP. in a third region.
- (3) Other methods of investing in China.

Note 2: The column of investment profit or loss for the period:

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

Note 3: The profit or loss of the amount involving foreign currencies are converted to NTD at the average exchange rate between January 1 and December 31, 2025, while others are converted to NTD under the exchange rate at the end period of the financial report.