Stock Code: 3564

AEWIN Technologies Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Review Report

For the six months ended June 30, 2024 and 2023

This is the translation of the financial statements. CPAs do not review on this translation.

Company Address: 32F, No. 97, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City
Telephone: (02)2697-6866

The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. The translation is not prepared by the independent auditor. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors and Shareholders of AEWIN Technologies Co., Ltd.

Foreword

The consolidated balance sheets of AEWIN Technologies Co., Ltd. and its subsidiaries as of June 30, 2024 and 2023, and the consolidated statements of comprehensive income for the three-month periods ended June 30, 2024 and 2023, and for the six-month periods ended June 30, 2024 and 2023, as well as the consolidated statements of changes in equity and consolidated statements of cash flows for the six-month periods ended June 30, 2024 and 2023, along with the notes to the consolidated financial statements (including a summary of significant accounting policies), have been reviewed. It is the responsibility of the management to prepare fair presentation consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. The responsibility of the CPAs is to draw conclusions on the consolidated financial report based on the results of their review.

Scope

We conducted our reviews in accordance with SRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of AEWIN Technologies Co., Ltd. and its subsidiaries as of June 30, 2024 and 2023, and their consolidated financial performance for the three-month periods ended June 30, 2024 and 2023, and for the six-month periods ended June 30, 2024 and 2023, as well as their consolidated cash flows for the six-month periods ended June 30, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting", as endorsed and issued into effect by the Financial Supervisory Commission.

KPMG Taiwan

CPAs:

Assurance Document Number Approved by Securities Authority	：	Jin-Guan-Zheng-Shen-Zi No. 1120333238 Jin-Guan-Zheng-Liu-Zi No. 0950103298

August 2, 2024

Notes to Reader

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

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

AEWIN Technologies Co., Ltd. and Subsidiaries

Consolidated Balance Sheet

June 30, 2024, December 31, 2023 and June 30, 2023

Unit: NTD thousand

Code	Assets	2024.6.30 Amount	%	2023.12.31 Amount	%	2023.6.30 Amount	%
	Current assets:						
1100	Cash and cash equivalents (Note 6(1))	$ 353,001	14	220,687	9	293,980	12
1110	Financial assets at fair value through profit or loss - current (Note 6(2))	1,840	-	11,118	1	9,773	-
1136	Financial assets at amortized cost - current (Notes 6(1) and 8)	209	-	209	-	209	-
1170	Net of notes receivable and accounts receivable (Notes 6(4) and (16))	503,543	20	489,136	20	389,620	15
1180	Accounts receivable - related parties (Notes 6(4), (16) and 7)	17,933	1	6,163	-	27,139	1
130X	Inventories (Note 6(5))	626,420	25	655,564	27	727,165	29
1470	Other current assets	24,760	1	29,683	1	28,228	1
	Total current assets	1,527,706	61	1,412,560	58	1,476,114	58
	Non-current assets:						
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6(3))	740	-	745	-	745	-
1600	Property, plant and equipment (Notes 6(6) and 8)	888,670	36	899,090	38	914,663	36
1755	Right-of-use assets (Note 6(7))	60,394	2	70,588	3	82,839	4
1780	Intangible assets (Note 6(8))	3,680	-	4,912	-	5,340	-
1840	Deferred income tax assets	33,362	1	33,362	1	48,726	2
1920	Refundable deposits	8,099	-	5,949	-	6,835	-
1975	Net defined benefit assets	2,142	-	1,943	-	2,058	-
	Total non-current assets	997,087	39	1,016,589	42	1,061,206	42
	Total assets	$ 2,524,793	100	2,429,149	100	2,537,320	100

Code	Liabilities and equity	2024.6.30 Amount	%	2023.12.31 Amount	%	2023.6.30 Amount	%
	Current liabilities:						
2100	Short-term borrowings (Note 6(9))	$ 363,974	15	295,046	12	414,346	17
2120	Financial liabilities at fair value through profit or loss - current (Note 6(2))	2,572	-	3,190	-	7,791	-
2130	Contract liabilities - current (Note 6(16))	31,720	1	10,874	-	9,993	-
2170	Accounts payable	256,783	10	244,041	10	124,542	5
2180	Accounts payable - related parties (Note 7)	40,664	2	42,512	2	179,796	7
2200	Other payables (Note 7)	122,732	5	108,960	5	156,874	6
2230	Current income tax liabilities	7,913	-	15,676	1	19,528	1
2280	Lease liabilities - current (Note 6(11))	25,606	1	24,980	1	26,059	1
2399	Other current liabilities	3,230	-	2,931	-	2,254	-
	Total current liabilities	855,194	34	748,210	31	941,183	37
	Non-current liabilities:						
2540	Long-term borrowings (Notes 6(10) and 8)	350,000	14	350,000	14	250,000	10
2570	Deferred income tax liabilities	20,787	1	20,787	1	30,550	1
2580	Lease liabilities - non-current (Note 6(11))	42,803	1	54,125	2	65,711	3
	Total non-current liabilities	413,590	16	424,912	17	346,261	14
	Total liabilities	1,268,784	50	1,173,122	48	1,287,444	51
	Equity (Note 6(14)):						
3110	Share capital - ordinary shares	591,231	24	591,231	25	591,231	23
3200	Capital reserve	445,936	18	445,936	18	445,936	18
3300	Retained earnings	209,949	8	215,209	9	210,206	8
3400	Other equity	8,893	-	3,651	-	2,503	-
	Total equity	1,256,009	50	1,256,027	52	1,249,876	49
	Total liabilities and equity	$ 2,524,793	100	2,429,149	100	2,537,320	100

(Please refer to notes to consolidated financial statements)

Chairman: Wen-Hsing Tseng **Manager: Chang-An Lin** **Accounting Supervisor: Yi-Mei Li**

AEWIN Technologies Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the periods from April 1 to June 30, 2024 and 2023,

and for the periods from January 1 to June 30, 2024 and 2023

Unit: NTD thousand

		April to June 2024		April to June 2023		January to June 2024		January to June 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Net operating revenue (Notes 6(16), 7 and 14)**	$ 530,269	100	465,963	100	952,948	100	972,681	100
5000	**Operating costs (Notes 6(5), (6), (7), (8), (11), (12), (17), 7 and 12)**	(396,914)	(75)	(346,366)	(74)	(700,111)	(73)	(714,497)	(73)
	Gross profit	133,355	25	119,597	26	252,837	27	258,184	27
	Operating expenses (Notes 6(4), (6), (7), (8), (11), (12), (17), 7 and 12):								
6100	Selling and marketing expenses	(42,347)	(8)	(47,370)	(10)	(82,505)	(9)	(91,134)	(10)
6200	Management expenses	(26,128)	(5)	(25,918)	(6)	(50,762)	(5)	(51,600)	(5)
6300	Research and development expenses	(46,680)	(8)	(41,409)	(9)	(89,928)	(10)	(83,153)	(9)
6450	Expected credit reversal benefit (impairment losses)	2,511	-	62	-	1,980	-	(462)	-
	Total operating expenses	(112,644)	(21)	(114,635)	(25)	(221,215)	(24)	(226,349)	(24)
	Net operating income	20,711	4	4,962	1	31,622	3	31,835	3
	Non-operating income and expenses (Notes 6(11) and (18)):								
7100	Interest income	853	-	796	-	1,354	-	1,250	-
7010	Other income	1,094	-	1,135	-	2,335	-	1,761	-
7020	Other gain and loss	(5,107)	(1)	(3,277)	(1)	(6,444)	-	(7,594)	-
7050	Finance costs	(4,883)	(1)	(4,451)	(1)	(9,858)	(1)	(9,913)	(1)
	Total non-operating income and expenses	(8,043)	(2)	(5,797)	(2)	(12,613)	(1)	(14,496)	(1)
7900	**Income before tax**	12,668	2	(835)	(1)	19,009	2	17,339	2
7950	**Less: income tax benefit (expense) (Note 6(13))**	(2,858)	-	7,789	2	(3,576)	-	4,018	-
8200	**Net income for the period**	9,810	2	6,954	1	15,433	2	21,357	2
	Other comprehensive income (Note 6(14)):								
8310	**Items that will not be reclassified to profit or loss**								
8316	Unrealized loss on investments in equity instruments at fair value through other comprehensive income	-	-	(45)	-	(5)	-	(45)	-
8349	Income tax related to items not reclassified	-	-	-	-	-	-	-	-
		-	-	(45)	-	(5)	-	(45)	-
8360	**Items that may be subsequently reclassified to profit or loss**								
8361	Exchange differences on translating the financial statements of foreign operations	1,374	-	(4,833)	(1)	5,247	-	(3,335)	-
8399	Income tax related to items that may be reclassified	-	-	-	-	-	-	-	-
		1,374	-	(4,833)	(1)	5,247	-	(3,335)	-
	Other comprehensive income for the current period	1,374	-	(4,878)	(1)	5,242	-	(3,380)	-
8500	**Total comprehensive income (loss) for the period**	$ 11,184	2	2,076	-	20,675	2	17,977	2
	Earnings per share (Unit: In New Taiwan Dollars, Note 6(15))								
9750	**Basic earnings per share**	$	0.17		0.12		0.26		0.36
9850	**Diluted earnings per share**	$	0.17		0.12		0.26		0.36

(Please refer to notes to consolidated financial statements)

Chairman: Wen-Hsing Tseng **Manager: Chang-An Lin** **Accounting Supervisor: Yi-Mei Li**

AEWIN Technologies Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

January 1 to June 30, 2024 and 2023

Unit: NTD thousand

			Retained earnings			Other equity items			
	Share capital - ordinary shares	Capital reserve	Statutory surplus reserve	Undistributed earnings	Total	Exchange differences on translating the financial statements of foreign operations	Unrealized loss on financial assets at fair value through other comprehensive income	Total	Total equity
Balance as of January 1, 2023	$ 591,231	445,936	55,380	180,767	236,147	6,507	(624)	5,883	1,279,197
Net income for the period	-	-	-	21,357	21,357	-	-	-	21,357
Other comprehensive income for the current period	-	-	-	-	-	(3,335)	(45)	(3,380)	(3,380)
Total comprehensive income (loss) for the period	-	-	-	21,357	21,357	(3,335)	(45)	(3,380)	17,977
Appropriation and distribution of earnings:									
Provision of statutory surplus reserve	-	-	15,128	(15,128)	-	-	-	-	-
Cash dividends for ordinary shares	-	-	-	(47,298)	(47,298)	-	-	-	(47,298)
Balance as of June 30, 2023	**$ 591,231**	**445,936**	**70,508**	**139,698**	**210,206**	**3,172**	**(669)**	**2,503**	**1,249,876**
Balance as of January 1, 2024	$ 591,231	445,936	70,508	144,701	215,209	4,320	(669)	3,651	1,256,027
Net income for the period	-	-	-	15,433	15,433	-	-	-	15,433
Other comprehensive income for the current period	-	-	-	-	-	5,247	(5)	5,242	5,242
Total comprehensive income (loss) for the period	-	-	-	15,433	15,433	5,247	(5)	5,242	20,675
Appropriation and distribution of earnings:									
Provision of statutory surplus reserve	-	-	2,636	(2,636)	-	-	-	-	-
Cash dividends for ordinary shares	-	-	-	(20,693)	(20,693)	-	-	-	(20,693)
Balance as of June 30, 2024	**$ 591,231**	**445,936**	**73,144**	**136,805**	**209,949**	**9,567**	**(674)**	**8,893**	**1,256,009**

(Please refer to notes to consolidated financial statements)

Chairman: Wen-Hsing Tseng **Manager: Chang-An Lin** **Accounting Supervisor: Yi-Mei Li**

AEWIN Technologies Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to June 30, 2024 and 2023

Unit: NTD thousand

	January to June 2024	January to June 2023
Cash flows from operating activities:		
Income before tax for the period	$ 19,009	17,339
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expenses	30,416	31,523
Amortization expenses	1,261	1,270
Expected credit (reversal benefit) impairment losses	(1,980)	462
Finance costs	9,858	9,913
Interest income	(1,354)	(1,250)
Net gain on disposal and retirement of property, plant and equipment	-	(16)
Gain from lease modification	-	(123)
Total revenue, expense and loss items	38,201	41,779
Changes in assets/liabilities related to operating activities:		
Net change in assets related to operating activities:		
Financial assets at fair value through profit or loss	9,278	(9,473)
Notes and accounts receivable	(12,533)	149,901
Accounts receivable - related parties	(11,770)	68,740
Inventories	29,144	128,227
Other current assets	4,923	10,131
Net defined benefit assets	(199)	(188)
Total net changes in assets related to operating activities	18,843	347,338
Net change in liabilities related to operating activities:		
Financial liabilities at fair value through profit or loss (decrease) increase	(618)	4,912
Contractual liabilities	20,846	(297)
Accounts payable	12,742	(111,538)
Accounts payable - related parties	(1,848)	(62,012)
Other payables	(7,585)	(42,658)
Other current liabilities	299	186
Total net changes in liabilities related to operating activities	23,836	(211,407)
Total net changes in assets and liabilities related to operating activities	42,679	135,931
Total adjustments	80,880	177,710
Cash inflows from operating activities	99,889	195,049
Interest received	1,354	1,250
Interest paid	(1,578)	(2,193)
Income tax paid	(11,391)	(23,921)
Net cash inflows from operating activities	88,274	170,185

(Continued on the next page)

(Please refer to notes to consolidated financial statements)

Chairman: Wen-Hsing Tseng　　Manager: Chang-An Lin　　Accounting Supervisor: Yi-Mei Li

AEWIN Technologies Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows (Continued from the previous page)

January 1 to June 30, 2024 and 2023

Unit: NTD thousand

	January to June 2024	January to June 2023
Cash flows from investing activities:		
Purchase of property, plant and equipment	(6,237)	(16,107)
Proceeds from disposal of property, plant and equipment	-	17
(Increase) Decrease in refundable deposits	(2,150)	1,779
Purchase of intangible assets	-	(192)
Net cash outflows from investing activities	(8,387)	(14,503)
Cash flows from financing activities:		
Increase in short-term borrowings	806,696	640,000
Decrease in short-term borrowings	(740,000)	(730,000)
Repayment of long-term borrowings	-	(100,000)
Repayment of lease principal	(12,903)	(13,958)
Interest paid	(8,223)	(7,941)
Net cash inflows (outflows) from financing activities	45,570	(211,899)
Effect of changes in exchange rate	6,857	(4,405)
Increase (Decrease) in cash and cash equivalents during the period	132,314	(60,622)
Cash and cash equivalents at beginning of period	220,687	354,602
Cash and cash equivalents at end of period	**$ 353,001**	**293,980**

(Please refer to notes to consolidated financial statements)

Chairman: Wen-Hsing Tseng Manager: Chang-An Lin Accounting Supervisor: Yi-Mei Li

AEWIN Technologies Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
For the six months ended June 30, 2024 and 2023
(The amount shall be dominated in thousands of NT$, unless otherwise specified)

I. Development History

On October 24, 2000, AEWIN Technologies Co., Ltd. (the “Company”) was established under the approval from the Ministry of Economic Affairs, having the registered address of 32F, No. 97, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City. The Company and its subsidiaries (collectively referred to as the "Group") primarily engage in the design, manufacture, and sale of network security-related products.

II. Date and Procedures for Approval of Financial Statements

The consolidated financial statements were approved and issued by the Board of Directors on August 2, 2024.

III. Application of Newly Issued and Revised Standards and Interpretations

(I) Effect of adopting new and amended standards and interpretations endorsed by the Financial Supervisory Commission (FSC)

As of January 1, 2024, the Group began to apply the following newly revised International Financial Reporting Standards (IFRS), which has not had a significant impact on the consolidated financial statements.

- Amendment to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendment to IAS 1 "Non-current Liabilities with Covenants"
- Amendment to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendment to IFRS 16 "Lease Liabilities in a Sale and Leaseback"

(II) Impact of International Financial Reporting Standards not yet adopted

The Group has assessed the applicability of the following new amendments to International Financial Reporting Standards, which are effective from January 1, 2025, and does not expect them to have a significant impact on the consolidated financial statements.

- Amendments to IAS 21 "Lack of Exchangeability"

(III) New and amended standards and interpretations not yet endorsed by the FSC

The standards and interpretations issued and amended by the IASB but not yet endorsed by the FSC that may be related to the Group are as follows:

New issued or amended standards	Main amendments	Effective date of issuance by IASB
International Financial Reporting Standard No. 18 "Presentation and Disclosure in Financial Statements"	The new guidelines introduce three categories of income and expenses, two subtotals on the income statement, and a single footnote regarding management performance measurement. These three amendments and enhancements to the guidance on segmenting information in financial statements lay the foundation for providing users with improved and consistent information, and will have an impact on all companies.	January 1, 2027
International Financial Reporting Standard No. 18 "Presentation and Disclosure in Financial Statements"	• A more structured income statement: The company currently uses various formats to express its financial performance, which makes it challenging for investors to compare the financial performance of different companies. The new guidelines have implemented a more structured income statement. They have introduced a new subtotal called "operating profit" and require that all revenues and expenses be classified into three new categories based on the company's main business activities. • Management Performance Measurement (MPM): The new criteria introduce the concept of management performance measurement. Companies are now required to provide an explanation, in a single footnote in the financial statements, regarding the usefulness of each measurement indicator, its calculation method, and how it is adjusted for amounts recognized in accordance with international financial reporting standards accounting principles. • More detailed information: The new guidelines provide instructions on how companies can improve the organization of information in financial statements. This guidance includes determining whether the information should be included in the primary financial statements or further disaggregated in the notes.	January 1, 2027

The Group is now continuously assessing the impact of the above standards and interpretations on the financial position and operating results of the Group, and will disclose the related impact after completing the assessment.

The Group expects that the following newly issued and revised standards, which have not yet been adopted, will not have a significant impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and Amendments to IFRS 17
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendment to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Standards

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("Regulations") and International Accounting Standards 34, “Interim Financial Reporting”, which have been endorsed by the FSC and put into effect. The consolidated financial statements do not include all the necessary information that should be disclosed in the entire annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretative Bulletins, which have been endorsed by the FSC and put into effect.

Besides the descriptions mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2023.

(II) Basis of consolidation

1. Subsidiaries included in the consolidated financial statements

			Percentage of ownership		
Name of investor company	**Name of subsidiary**	**Business nature**	**2024.6.30**	**2023.12.31**	**2023.6.30**
The Company	WISE WAY	Investment holding	100.00%	100.00%	100.00%
The Company	AEWIN TECH INC.	Wholesale of computer and peripheral equipment and software	100.00%	100.00%	100.00%
WISE WAY	BRIGHT PROFIT	Investment holding	100.00%	100.00%	100.00%
BRIGHT PROFIT	Aewin Beijing Technologies Co., Ltd.	Wholesale of computer and peripheral equipment and software	100.00%	100.00%	100.00%
Aewin Beijing Technologies Co., Ltd.	Aewin (Shenzhen) Technologies Co., Ltd.	Wholesale of computer and peripheral equipment and software	100.00%	100.00%	100.00%

2. Subsidiaries not included in the consolidated financial statements: None.

(III) Employee benefits

Pensions to defined benefit plans in the interim period are calculated based on the actuarially determined pension cost rate on the reporting date of the previous year. The calculation basis is from the beginning of the year to the end of the period, and it is adjusted for any significant market volatility, significant curtailment, settlement or other significant one-off events after the reporting date.

(IV) Income taxes

The income tax expenses have been prepared and disclosed by the Group in accordance with paragraph B12 of International Accounting Standards 34 “Interim Financial Reporting”.

Income tax expenses are best estimated by multiplying income before tax for the interim reporting period by the effective annual tax rate as forecast by the management and are all recognized as the current income tax expenses.

V. Major Sources of Uncertainty in Significant Accounting Judgments, Estimates and Assumptions

When preparing the consolidated financial statements in conformity with the Regulations and the IAS 34 "Interim Financial Reporting" endorsed by the FSC and put into effect, the management shall make judgments, estimates, and assumptions, which will affect the adoption of accounting policies and the reported amounts of assets, liabilities, incomes, and expenses. Actual results may differ from estimates.

In preparing the consolidated financial statements, the significant judgments and the major sources of estimation uncertainty made by the management in applying the accounting policies of the Group are consistent with Note 5 to the consolidated financial statements for the year ended December 31, 2023.

VI. Description of Significant Accounting Items

Besides the descriptions mentioned below, the description of significant accounting items in the consolidated financial statements has no major differences from that in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to Note 6 of the consolidated financial statements for the year ended December 31, 2023.

(I) Cash and cash equivalents

	2024.6.30	**2023.12.31**	**2023.6.30**
Cash on hand and working capital	$ 2	4	10
Demand deposits and checking accounts	352,999	220,683	293,970
	$ 353,001	**220,687**	**293,980**

As of June 30, 2024, December 31, 2023, and June 30, 2023, bank time deposits with original maturities exceeding three months but less than one year amount to $209,000. These are classified as financial assets measured at amortized cost - current.

(II) Financial instruments at fair value through profit or loss - current

The details are as follows:

		2024.6.30	2023.12.31	2023.6.30
Financial assets at fair value through profit or loss:				
Forward exchange contracts	$	1,836	-	9,773
Foreign exchange swap contracts		4	11,118	-
	$	1,840	11,118	9,773
Financial liabilities at fair value through profit or loss:				
Forward exchange contracts	$	-	3,190	-
Foreign exchange swap contracts		2,572	-	7,791
	$	2,572	3,190	7,791

The Group engages in derivative financial instruments to hedge the exposure to exchange rate risk arising from operating activities, which are reported as financial assets or liabilities at fair value through profit or loss because hedge accounting is not applied. The details of derivative financial instruments of the Group that are not yet matured as of the reporting date are as follows:

1. Forward exchange contracts

2024.6.30

	Contract amount (NT$ thousands)	Maturity period
Buy USD/Sell RMB	USD 12,724	2024.07

2023.12.31

	Contract amount (NT$ thousands)	Maturity period
Buy USD/Sell RMB	USD 15,497	2024.01
Buy NTD/Sell USD	USD 500	2024.01

2023.6.30

	Contract amount (NT$ thousands)	Maturity period
Buy USD/Sell RMB	USD 16,498	2023.07

2. Foreign exchange swap contracts

2024.6.30

	Contract amount (NT$ thousands)	Maturity period
Swap in NTD/Swap out USD	USD 17,800	2024.07

2023.12.31

	Contract amount (NT$ thousands)	Maturity period
Swap in NTD/Swap out USD	USD 19,100	2024.01

2023.6.30

	Contract amount (NT$ thousands)	Maturity period
Swap in NTD/Swap out USD	USD 18,100	2023.07

(III) Financial assets at fair value through other comprehensive income - non-current

	2024.6.30	2023.12.31	2023.6.30
Equity instruments at fair value through other comprehensive income:			
Foreign unlisted (OTC) stocks	$ 740	745	745

The Group holds the above-mentioned equity instrument investments for the long-term strategic investment purpose, instead of trading purpose. Therefore, they have been designated as measured at fair value through other comprehensive income.

The Group did not dispose of the above-mentioned strategic investments for the six months ended June 30, 2024 and 2023, and the gain or loss accumulated during those periods were not transferred to equity.

(IV) Notes and accounts receivable

	2024.6.30	2023.12.31	2023.6.30
Notes receivable - arising from operations	$ 72,589	-	34,536
Accounts receivable	431,896	491,952	355,659
Accounts receivable - related parties	17,933	6,163	27,139
	522,418	498,115	417,334
Less: allowance for losses	(942)	(2,816)	(575)
	$ 521,476	495,299	416,759

The Group estimates expected credit losses for all notes receivable and accounts receivable (including those from related parties) using the simplified approach, which measures expected credit losses over the remaining life of the asset and incorporates forward-looking information. The analysis of expected credit losses for notes receivable and accounts receivable (including those from related parties) is as follows:

	2024.6.30		
	Carrying amount of notes receivable and accounts receivable	**Weighted average expected credit loss rate**	**Allowance for expected credit losses over the remaining life**
Not overdue	$ 489,019	-	-
1-30 days overdue	31,137	0~4%	557
31-60 days overdue	351	0~35%	122
61-90 days overdue	1,911	0~57%	263
Overdue for more than 91 days	-	100%	-
	$ 522,418		**942**

	2023.12.31		
	Carrying amount of notes receivable and accounts receivable	**Weighted average expected credit loss rate**	**Allowance for expected credit losses over the remaining life**
Not overdue	$ 440,073	-	-
1-30 days overdue	52,120	0~4%	353
31-60 days overdue	5,232	0~36%	1,859
61-90 days overdue	232	0~63%	146
Overdue for more than 91 days	458	100%	458
	$ 498,115		**2,816**

	2023.6.30		
	Carrying amount of notes receivable and accounts receivable	**Weighted average expected credit loss rate**	**Allowance for expected credit losses over the remaining life**
Not overdue	$ 405,676	0~0.10%	-
1-30 days overdue	11,085	0~4%	-
31-60 days overdue	-	0~37%	-
61-90 days overdue	-	35~73%	-
Overdue for more than 91 days	573	100%	575
	$ 417,334		**575**

The statements of changes in the allowance for losses of the Group's notes and accounts receivable (including related parties) are listed as follows:

	January to June 2024	January to June 2023
Beginning balance	$ 2,816	132
Recognized impairment losses (reversal benefits)	(1,980)	462
Foreign currency translation gains and losses	106	(19)
Ending balance	**$ 942**	**575**

(V) Inventories

	2024.6.30	2023.12.31	2023.6.30
Raw materials	$ 287,008	340,525	401,630
Work in progress	67,253	50,199	34,711
Finished goods and merchandise	272,159	264,840	290,824
	$ 626,420	**655,564**	**727,165**

Details of inventory-related costs recognized in operating expenses for the current period are as follows:

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Cost of inventory sold	$ 384,004	347,395	678,072	709,384
Inventory write-down and obsolescence losses (reversal of impairment)	10,007	(1,029)	19,136	5,113
Inventory scrap loss	2,903	-	2,903	-
	$ 396,914	**346,366**	**700,111**	**714,497**

The above inventory write-down and obsolescence losses (reversal benefits) are due to adjustments made to reduce inventory to its net realizable value, or because obsolete inventory for which an allowance for impairment was previously recognized has been sold or disposed of. This results in an increase or decrease in the assessed need for the allowance for impairment, leading to the recognition of inventory write-downs and obsolescence losses (reversal benefits).

(VI) Property, plant and equipment

The details of changes in the cost and accumulated depreciation of property, plant, and equipment for the Group are as follows:

	Land	Building and construction	Machinery and equipment	Production equipment and other equipment	Uncompleted works and equipment pending inspection	Total
Costs:						
Balance as of January 1, 2024	$ 219,815	704,194	44,862	114,099	-	1,082,970
Addition	-	-	276	5,804	764	6,844
Reclassification and changes in exchange rate effect	-	-	654	2,133	(764)	2,023
Balance as of June 30, 2024	$ 219,815	704,194	45,792	122,036	-	1,091,837
Balance as of January 1, 2023	$ 219,815	700,447	42,027	112,259	588	1,075,136
Addition	-	3,036	1,443	2,619	1,311	8,409
Disposal	-	-	-	(20)	-	(20)
Reclassification and changes in exchange rate effect	-	711	582	(1,654)	(1,299)	(1,660)
Balance as of June 30, 2023	$ 219,815	704,194	44,052	113,204	600	1,081,865
Accumulated depreciation:						
Balance as of January 1, 2024	$ -	82,230	39,422	62,228	-	183,880
Depreciation for the current period	-	9,109	780	8,359	-	18,248
Reclassification and changes in exchange rate effect	-	-	4	1,035	-	1,039
Balance as of June 30, 2024	$ -	91,339	40,206	71,622	-	203,167
Balance as of January 1, 2023	$ -	64,101	39,225	46,810	-	150,136
Depreciation for the current period	-	9,021	729	8,028	-	17,778
Disposal	-	-	-	(19)	-	(19)
Reclassification and changes in exchange rate effect	-	-	(3)	(690)	-	(693)
Balance as of June 30, 2023	$ -	73,122	39,951	54,129	-	167,202

	Land	Building and construction	Machinery and equipment	Production equipment and other equipment	Uncompleted works and equipment pending inspection	Total
Book value:						
June 30, 2024	$ 219,815	612,855	5,586	50,414	-	888,670
January 1, 2024	$ 219,815	621,964	5,440	51,871	-	899,090
June 30, 2023	$ 219,815	631,072	4,101	59,075	600	914,663

Please refer to Note 8 for property, plant and equipment pledged as collaterals for long-term borrowings.

(VII) Right-of-use assets

The cost and depreciation details of the right-of-use assets recognized by the Group for leased buildings are as follows:

		Building and construction
Cost of right-of-use assets:		
Balance as of January 1, 2024	$	118,346
Decrease in the current period		(8,809)
Effect of changes in exchange rate		3,458
Balance as of June 30, 2024	**$**	**112,995**
Balance as of January 1, 2023	$	123,552
Lease amendment		(2,607)
Effect of changes in exchange rate		(3,048)
Balance as of June 30, 2023	**$**	**117,897**
Accumulated depreciation of right-of-use assets:		
Balance as of January 1, 2024	$	47,758
Depreciation for the current period		12,168
Decrease in the current period		(8,809)
Effect of changes in exchange rate		1,484
Balance as of June 30, 2024	**$**	**52,601**
Balance as of January 1, 2023	$	24,943
Depreciation for the current period		13,745
Lease amendment		(2,787)
Effect of changes in exchange rate		(843)
Balance as of June 30, 2023	**$**	**35,058**
Book value:		
June 30, 2024	**$**	**60,394**
January 1, 2024	**$**	**70,588**
June 30, 2023	**$**	**82,839**

(VIII) Intangible assets

The cost and accumulated amortization details of the intangible assets of the Group are as follows:

		Computer software
Book value:		
June 30, 2024	**$**	**3,680**
January 1, 2024	**$**	**4,912**
June 30, 2023	**$**	**5,340**

There were no significant additions, disposals, impairments, or reversals of impairments related to the Group's intangible assets during the periods from January 1 to June 30, 2024 and 2023. For the amortization amount during the current period, please refer to Note 12(1). For other related information, please refer to Note 6(8) of the consolidated financial statements for the year ended December 31, 2023.

(IX) Short-term borrowings

	2024.6.30	2023.12.31	2023.6.30
Unsecured bank loan	$ 363,974	295,046	414,346
Available credit limit	$ 946,987	880,000	690,000
Annual interest rate range	1.73%~3.90%	1.56%~4.05%	1.6%~4.05%

(X) Long-term borrowings

	2024.6.30	2023.12.31	2023.6.30
Unsecured bank loan	$ 150,000	150,000	-
Secured bank loan	200,000	200,000	250,000
	350,000	350,000	250,000
Less: portion due within one year	-	-	-
	$ 350,000	350,000	250,000
Available credit limit	$ 100,000	100,000	100,000
Annual interest rate range	1.84%~2.19%	1.84%~2.14%	2.07%~2.14%
Maturity year	115	115	113

Please refer to Note 8 for details of the situation where the Group pledged assets as collaterals for bank loan line.

(XI) Lease liabilities

The carrying amounts of the Group's lease liabilities are as follows:

	2024.6.30	2023.12.31	2023.6.30
Current	$ 25,606	24,980	26,059
Non-current	$ 42,803	54,125	65,711

The analysis of lease liabilities by maturity is detailed in Note 6(19) - Financial Instruments.

The amounts recognized in profit or loss are as follows:

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Interest expense on lease liabilities	$ 762	1,054	1,578	2,193
Lease expenses for short-term leases and low-value assets	$ 1,259	1,077	2,756	1,870
COVID-19 related rent concessions (recognized as a reduction in rent expenses)	$ -	-	-	(3,450)

The amounts recognized in the cash flow statement are as follows:

	January to June 2024	January to June 2023
Total cash outflow for leases	$ 17,237	14,571

Important lease conditions:

1. Lease of buildings

   The Group leases buildings for use as factories and offices for a period of two to five years. Upon termination of the lease, the Group does not have a preferential right to acquire the leased land and building, and it is agreed that the Group shall not sublease or assign all or a portion of the subject of the lease without the consent of the lessor.

2. Other leases

   The Group leases certain office, warehouse, parking spaces and other equipment that expire in less than one year. These leases are short-term or qualify as low value asset leases, and the Group has elected to apply the exemption from the recognition requirement and not to recognize its related right-of-use assets and lease liabilities.

(XII) Employee benefits

1. Defined benefit plans

   Since there were no significant market fluctuations, significant curtailments, settlements, or other significant one-off events after the reporting date of the prior fiscal year, the Group adopted the actuarial determined pension cost on December 31, 2023 and 2022 to measure and disclose pension costs for interim periods.

   The reported expenses of the Group are detailed as follows:

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Decrease in operating expenses	$ (6)	(7)	(13)	(15)

2. Defined contribution plans

   The reported expenses of the Group are detailed as follows:

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Operating costs	$ 1,490	1,429	2,963	2,883
Operating expenses	3,662	3,289	7,269	6,553
	$ 5,152	4,718	10,232	9,436

(XIII) Income taxes

1. The income tax expenses of the Group are detailed as follows:

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Current income tax expense (benefit)	$ 2,858	(7,789)	3,576	(4,018)

2. The Group did not recognize any income tax in other comprehensive income or directly in equity during the periods from January 1 to June 30, 2024 and 2023.
3. The Company's business income tax returns have been approved by the tax authorities up to the fiscal year 2021.

(XIV) Capital and other equities

1. Equity

   As of June 30, 2024, December 31, 2023, and June 30, 2023, the Company's authorized capital stock amounts to $1,000,000,000, with a par value of $10 per share, divided into 100,000,000 shares. The issued shares are all ordinary shares, totaling 59,123,000 shares. From the authorized capital stock mentioned above, 10,000,000 shares are reserved for issuance of employee stock options.

2. Capital reserve

		2024.6.30	2023.12.31	2023.6.30
May be used to offset losses, distribute cash, or allocate to share capital:				
Premium on issue of shares	$	426,638	426,638	426,638
May only be used to offset losses:				
Expired convertible bond subscription rights		5,518	5,518	5,518
Expired employee stock options		13,780	13,780	13,780
	$	445,936	445,936	445,936

   According to the Company Act, capital reserves must first be used to offset losses before they can be used to issue new shares or distribute cash in proportion to the shareholders' original shareholdings, using realized capital reserves. The realized capital reserves referred to are the premiums received from issuing shares above their par value. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of capital reserves allocated to share capital each year must not exceed 10% of the paid-in capital.

3. Retained earnings

   According to the Company's profit distribution policy as stipulated in its Articles of Incorporation, if there is any surplus after the annual financial statements, the Company must first pay taxes, cover losses, and allocate statutory surplus reserve in accordance with statutory requirements. However, if the statutory surplus reserve has reached the Company's paid-in capital, this requirement does not apply. Any remaining surplus should then be allocated or reversed as special surplus reserve as required by laws or business needs. If there is still a remaining balance, it, together with the accumulated undistributed earnings, will be included in a profit distribution proposal prepared by the Board of Directors for approval by the shareholders' meeting. If the dividends of the profit distribution proposal are distributed in cash, the Board of Directors shall be authorized to pass a resolution in respect of the distribution and report to the shareholders' meeting.

Given the current phase of business growth, the dividend distribution policy must consider various factors, including the present and future investment climate, capital requirements, domestic and international competitive conditions, and capital budgeting. Simultaneously, it must also prioritize the interests of shareholders, strike a balance between dividends, and facilitate long-term financial planning. In the event of a surplus in the annual financial statements, where the distributable surplus for that year exceeds 2% of the capital, the dividend distribution should not fall below 10% of the distributable surplus. Furthermore, the proportion of cash dividends distributed annually must not be less than 10% of the total cash and stock dividends distributed for that year.

(1) Statutory surplus reserve

Under the Company Act, when a company has no deficit, it may issue new shares or cash out of statutory surplus reserve by resolution of the shareholders' meeting, provided that such reserve shall not exceed 25% of the paid-in capital.

(2) Special surplus reserve

According to the regulations of the FSC, when the Company distributes distributable earnings, it must allocate a special surplus reserve from the current period’s after-tax net income, plus amounts included in the current period's undistributed earnings from items other than the current period's after-tax net income, to cover the net amount of other equity deductions recorded during the year. For amounts related to other equity deductions accumulated in prior periods, a special surplus reserve must be allocated from prior periods' undistributed earnings and cannot be distributed. If there is a reversal of other equity deductions in the future, the amount of the reversal may be distributed as earnings.

4. Distribution of earnings

The Company’s Board of Directors resolved on March 1, 2024, and March 2, 2023, respectively, regarding the distribution of cash dividends for the fiscal years 2023 and 2022. The details of the cash dividend amounts are as follows:

	2023		2022	
	Dividend per share (NTD)	**Amount**	**Dividend per share (NTD)**	**Amount**
Dividends distributed to owners of ordinary shares:				
Cash	$ 0.35	20,693	0.8	47,298

The related information mentioned above can be found through platforms such as the Market Observation Post System.

5. Other equity (net amount after tax)

(1) Exchange differences on translating the financial statements of foreign operations

	January to June 2024	January to June 2023
Beginning balance	$ 4,320	6,507
Exchange difference from conversion of net assets of foreign operating organizations	5,247	(3,335)
Ending balance	$ 9,567	3,172

(2) Unrealized valuation losses on financial assets measured at fair value through other comprehensive income

	January to June 2024	January to June 2023
Beginning balance	$ (669)	(624)
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(5)	(45)
Ending balance	$ (674)	(669)

(XV) Earnings per share

1. Basic earnings per share

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Net income attributable to equity holders of the Company's ordinary shares	$ 9,810	6,954	15,433	21,357
Weighted average number of ordinary shares outstanding (in thousands)	59,123	59,123	59,123	59,123
Basic earnings per share (NTD)	$ 0.17	0.12	0.26	0.36

2. Diluted earnings per share

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Net income attributable to equity holders of the Company's ordinary shares	$ 9,810	6,954	15,433	21,357
Weighted average number of ordinary shares outstanding (basic) (in thousands)	59,123	59,123	59,123	59,123
Impact of potential ordinary shares with dilutive effect (in thousands):				
Impact of employee remuneration	15	42	32	154
Weighted average number of ordinary shares outstanding (in thousands) (after adjusting for dilutive potential ordinary shares)	59,138	59,165	59,155	59,277
Diluted earnings per share (NTD)	$ 0.17	0.12	0.26	0.36

(XVI) Revenue from customer contracts

1. Breakdown of revenue

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Main products and services:				
Network communication equipment	$ 500,426	439,524	891,497	916,471
Others	29,843	26,439	61,451	56,210
	$ 530,269	465,963	952,948	972,681

2. Contract balance

	2024.6.30	2023.12.31	2023.6.30
Notes and accounts receivable (including related parties)	$ 522,418	498,115	417,334
Less: allowance for losses	(942)	(2,816)	(575)
	$ 521,476	495,299	416,759
Contractual liabilities	$ 31,720	10,874	9,993

Disclosure of notes receivable and accounts receivable (including related parties) and their impairment is detailed in Note 6(4).

The changes in contractual liabilities mainly come from the difference between the time point of satisfying the performance obligation when the Group transfers goods to a customer and the time point of the customer's payment.

The beginning balance of contract liabilities as of January 1, 2024 and 2023, recognized as revenue during the periods from January 1 to June 30, 2024 and 2023, were $10,138 thousand and $9,197 thousand, respectively.

(XVII) Renumeration of employees and directors

According to the Company's Articles of Incorporation, if there is a profit for the year, 5% to 20% shall be allocated as employee remuneration, and up to 1% shall be allocated as directors' remuneration. Nonetheless, in case of accumulated deficit in the Company, a proportion of the profit shall be reserved for recovering the loss before an amount is appropriated at the aforementioned ratio as remuneration to employees and directors. The recipients of the employee remuneration mentioned above, whether in the form of shares or cash, may include employees of subsidiaries or affiliates who meet certain criteria. The criteria and distribution method shall be determined by the Board of Directors or its authorized person.

The estimated amounts of employee remuneration for the periods from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, were $962 thousand, $657 thousand, $1,528 thousand, and $2,023 thousand, respectively. The estimated amounts of directors' remuneration for the same periods were $103 thousand, $71 thousand, $164 thousand, and $217 thousand, respectively. These amounts are based on the income before tax of the Company for each period, minus the employee and directors' remuneration, multiplied by the proposed distribution ratio for employee and directors' remuneration, and are reported as operating costs or operating expenses for each period. If the actually distributed amount of next year is different from the estimate, the difference will be treated as an accounting estimate change and listed in the profit and loss of next year.

The estimated amounts of employee remuneration for the years 2023 and 2022 were $2,573 thousand and $14,042 thousand, respectively. The estimated amounts of directors' remuneration for the same years were $276 thousand and $1,504 thousand, respectively. These amounts are consistent with the distribution approved by the Board of Directors. Relevant information can be found on the Market Observation Post System.

(XVIII) Non-operating income and expenses

1. Interest income

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Interest on bank deposit	$ 850	794	1,349	1,248
Interest on deposits	3	2	5	2
	$ 853	**796**	**1,354**	**1,250**

2. Other income

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Grant income	$ 230	1,090	1,349	1,452
Others	864	45	986	309
	$ 1,094	**1,135**	**2,335**	**1,761**

3. Other gain and loss

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Net gain on disposal of property, plant and equipment	$ -	16	-	16
Gain from lease modification	-	123	-	123
Net foreign exchange (loss) gain	7,070	(16,440)	24,833	(13,381)
Net (loss) gain on financial instruments measured at fair value through profit or loss	(12,156)	13,080	(31,240)	5,737
Miscellaneous expenses	(21)	(56)	(37)	(89)
	$ (5,107)	**(3,277)**	**(6,444)**	**(7,594)**

4. Finance costs

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Interest expense on bank loans	$ (4,121)	(3,397)	(8,280)	(7,720)
Interest expense on lease liabilities	(762)	(1,054)	(1,578)	(2,193)
	$ (4,883)	**(4,451)**	**(9,858)**	**(9,913)**

(XIX) Financial instruments

Besides the descriptions mentioned below, there are no significant changes in the fair value of financial instruments, and credit risk, liquidity risk, and market risk due to the exposure of financial instruments of the Group. For the related information, please refer to Note 6(19) of the consolidated financial statements for the year ended December 31, 2023.

1. Types of financial instruments

(1) Financial assets

		2024.6.30	2023.12.31	2023.6.30
Financial assets at fair value through profit or loss	$	1,840	11,118	9,773
Financial assets at fair value through other comprehensive income		740	745	745
Financial assets measured at amortized cost:				
Cash and cash equivalents		353,001	220,687	293,980
Financial assets measured at amortized cost - current		209	209	209
Notes and accounts receivable (including related parties)		521,476	495,299	416,759
Refundable deposits		8,099	5,949	6,835
Total	$	885,365	734,007	728,301

(2) Financial liabilities

		2024.6.30	2023.12.31	2023.6.30
Financial liabilities at fair value through profit or loss	$	2,572	3,190	7,791
Financial liabilities measured at amortized cost:				
Short-term borrowings		363,974	295,046	414,346
Accounts payable and other payables (including related parties)		420,179	395,513	461,212
Lease liabilities (including current and non-current)		68,409	79,105	91,770
Long-term borrowings		350,000	350,000	250,000
Total	$	1,205,134	1,122,854	1,225,119

2. Credit risk

Credit risk is the risk of financial loss to the Group arising from a counterparty's failure to meet its contractual obligations. This risk primarily comes from financial assets such as bank deposits (including bank deposits classified as financial assets measured at amortized cost - current) and accounts receivable. The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's bank deposits are held with reputable financial institutions, and thus, the Group believes that significant credit risk is unlikely.

The Group has established a credit policy that involves analyzing the financial condition of each customer to determine their credit limits. As of June 30, 2024, December 31, 2023, and June 30, 2023, 45%, 38%, and 35% of the total receivables and accounts receivable, respectively, were from the Group’s top five customers. The Group regularly assesses the financial condition of these customers and uses insurance to mitigate credit risk. For details on credit risk exposure related to accounts receivable, please refer to Note 6(4).

3. Liquidity risk

Liquidity risk is the risk that the Group will be unable to deliver cash or other financial assets to settle financial liabilities and fulfill related obligations. The Group regularly monitors its short-term and projected medium- to long-term funding needs, and manages liquidity risk by maintaining sufficient cash and cash equivalents, as well as available bank credit lines, and ensuring compliance with borrowing contract terms. As of June 30, 2024, December 31, 2023, and June 30, 2023, the undrawn borrowing amounts were $1,046,987,000, $980,000,000, and $790,000,000, respectively.

The following table shows the contractual maturity date of financial liabilities, including the impact of estimated interest, and prepared at the undiscounted cash flow.

	Contractual cash flows	1-6 months	6-12 months	1-2 years	2-5 years
June 30, 2024					
Non-derivative financial liabilities:					
Short-term borrowings	$ 365,136	365,136	-	-	-
Notes payable, accounts payable and other payables (including related parties)	420,179	420,179	-	-	-
Long-term borrowings	362,214	3,612	3,713	264,520	90,369
Lease liabilities (including current and non-current)	72,299	13,995	13,995	44,309	-
	$ 1,219,828	802,922	17,708	308,829	90,369
Derivative financial instruments:					
Forward exchange contracts:					
Outflow	$ 411,069	411,069	-	-	-
Inflow	(412,905)	(412,905)	-	-	-
Foreign exchange swap contracts:					
Outflow	576,367	576,367	-	-	-
Inflow	(573,799)	(573,799)	-	-	-
	$ 732	732	-	-	-

		Contractual cash flows	1-6 months	6-12 months	1-2 years	2-5 years
December 31, 2023						
Non-derivative financial liabilities						
Short-term borrowings	$	295,461	295,461	-	-	-
Notes payable, accounts payable and other payables (including related parties)		395,513	395,513	-	-	-
Long-term borrowings		364,870	3,386	3,480	36,705	321,299
Lease liabilities (including current and non-current)		84,439	14,228	13,589	54,357	2,265
	$	1,140,283	708,588	17,069	91,062	323,564
Derivative financial instruments:						
Forward exchange contracts:						
Outflow	$	495,040	495,040	-	-	-
Inflow		(491,850)	(491,850)	-	-	-
Foreign exchange swap contracts:						
Outflow		585,548	585,548	-	-	-
Inflow		(596,666)	(596,666)	-	-	-
	$	(7,928)	(7,928)	-	-	-
June 30, 2023						
Non-derivative financial liabilities						
Short-term borrowings	$	414,952	414,952	-	-	-
Notes payable, accounts payable and other payables (including related parties)		461,212	461,212	-	-	-
Long-term borrowings (including the portion due within one year)		256,479	2,638	2,712	251,129	-
Lease liabilities (including current and non-current)		98,867	15,150	14,262	53,772	15,683
	$	1,231,510	893,952	16,974	304,901	15,683
Derivative financial instruments:						
Forward exchange contracts:						
Outflow	$	503,315	503,315	-	-	-
Inflow		(513,088)	(513,088)	-	-	-
Foreign exchange swap contracts:						
Outflow		562,698	562,698	-	-	-
Inflow		(554,907)	(554,907)	-	-	-
	$	(1,982)	(1,982)	-	-	-

The Group doesn’t expect the time point of the cash flow under the maturity date analysis will come much earlier or the actual amount will be substantially different.

4. Market risk

(1) Exchange rate risk

The Group's exchange rate risk primarily arises from cash and cash equivalents, notes and accounts receivable/payable (including related parties), and other receivables/payables (including related parties) that are not denominated in the functional currency, resulting in foreign currency exchange gains and losses upon translation.

As of the reporting date, the carrying amounts of monetary assets and liabilities not denominated in the functional currency (including non-functional currency monetary items that have been offset in the consolidated financial statements) are as follows (Monetary unit: In thousands of NTD):

	2024.6.30					
	Foreign currency	Exchange rate		NTD	Exchange rate fluctuations	Profit and loss impact (before tax)
Financial assets						
Monetary items						
USD	$ 23,388	32.45	(Note 1)	758,960	2%	15,179
USD	28	7.266	(Note 2)	895	2%	18
Financial liabilities						
Monetary items						
USD	4,966	32.45	(Note 1)	161,143	2%	3,223
USD	13,091	7.266	(Note 2)	424,809	2%	8,496

	2023.12.31					
	Foreign currency	Exchange rate		NTD	Exchange rate fluctuations	Profit and loss impact (before tax)
Financial assets						
Monetary items						
USD	$ 24,416	30.75	(Note 1)	750,782	2%	15,016
Financial liabilities						
Monetary items						
USD	3,980	30.75	(Note 1)	122,390	2%	2,448
USD	15,486	7.091	(Note 2)	476,206	2%	9,524

	2023.6.30					
	Foreign currency	Exchange rate		NTD	Exchange rate fluctuations	Profit and loss impact (before tax)
Financial assets						
Monetary items						
USD	$ 26,131	31.10	(Note 1)	812,661	2%	16,253
USD	6	7.250	(Note 2)	173	2%	3
Financial liabilities						
Monetary items						
USD	8,132	31.10	(Note 1)	252,902	2%	5,058
USD	16,536	7.250	(Note 2)	514,284	2%	10,286

Note 1: The exchange rate is USD to NTD.

Note 2: The exchange rate is USD to RMB.

Foreign exchange gains (losses) (including realized and unrealized) for the periods from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, are detailed in Note 6(18) on other gains and losses.

(2) Interest rate risk

The Group's bank borrowings are all based on floating interest rates. To manage interest rate risk, the Group primarily assesses bank and currency-specific borrowing rates regularly and maintains good relationships with financial institutions to obtain lower financing costs. At the same time, it enhances working capital management to reduce dependence on bank borrowings and diversify interest rate risk.

The following sensitivity analysis is based on the interest rate exposure of floating-rate bank borrowings as of the reporting date, assuming that the amount of borrowings outstanding remains constant throughout the year. The sensitivity analysis uses a change rate of 1% increase or decrease in the annual interest rate, which reflects the management’s assessment of reasonable potential variations in interest rates.

If the annual interest rate increases/decreases by 1%, with all other variables held constant, the Group’s income before tax for the periods from January 1 to June 30, 2024, and January 1 to June 30, 2023, will decrease/increase by $3,570,000 and $3,322,000, respectively.

5. Fair value

(1) Financial instruments not measured at fair value

The management of the Group believes that the carrying amounts of financial assets and financial liabilities classified as measured at amortized cost in the consolidated financial statements approximate their fair values.

(2) Financial instruments measured at fair value

The Group's financial assets/liabilities measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income are valued at fair value on a recurring basis. The following table provides an analysis of the financial instruments measured at fair value after initial recognition, classified into Levels 1 to 3 based on the degree to which the fair value is observable. Each fair value level is defined as follows:

A. Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

B. Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

C. Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

	2024.6.30				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:					
Derivative financial instruments	$ 1,840	-	1,840	-	1,840
Financial assets at fair value through other comprehensive income:					
Foreign unlisted (OTC) stocks	740	-	-	740	740
	$ 2,580	-	1,840	740	2,580
Financial liabilities at fair value through profit or loss:					
Derivative financial instruments	$ 2,572	-	2,572	-	2,572

	2023.12.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:					
Derivative financial instruments	$ 11,118	-	11,118	-	11,118
Financial assets at fair value through other comprehensive income:					
Foreign unlisted (OTC) stocks	745	-	-	745	745
	$ 11,863	-	11,118	745	11,863
Financial liabilities at fair value through profit or loss:					
Derivative financial instruments	$ 3,190	-	3,190	-	3,190

	2023.6.30				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:					
Derivative financial instruments	$ 9,773	-	9,773	-	9,773
Financial assets at fair value through other comprehensive income:					
Foreign unlisted (OTC) stocks	745	-	-	745	745
	$ 10,518	-	9,773	745	10,518
Financial liabilities at fair value through profit or loss:					
Derivative financial instruments	$ 7,791	-	7,791	-	7,791

(3) Valuation techniques for fair value measurement of financial instruments

A. Non-derivative financial instruments

For financial instruments with an active market, the fair value is determined based on the quoted market price in that active market.

For financial instruments without an active market, fair value is determined using valuation techniques or based on quotes from counterparties. The fair value obtained through valuation techniques can be referenced from the current fair value of similar financial instruments with substantially similar conditions and characteristics, discounted cash flow methods, or other valuation techniques, including models that use market information available as of the reporting date.

The fair value of the financial instruments held by the Group is presented by category and attribute as follows:

- For unlisted (OTC) stocks without an active market held by the Group, fair value is primarily estimated using the asset-based approach. This valuation is determined by evaluating the total market value of the individual assets and liabilities covered by the valuation target. Additionally, significant unobservable inputs mainly include liquidity discounts. However, since potential changes in liquidity discounts are not expected to have a significant financial impact, quantitative information regarding these inputs is not disclosed.

B. Derivative financial instruments

Are valued based on valuation models widely accepted by market participants. Forward exchange contracts and foreign exchange swap contracts are typically valued based on the current forward exchange rates.

(4) Transfer between fair value levels

There were no transfers of fair value levels of any financial asset and financial liability for the six months ended June 30, 2024 and 2023.

(XX) Financial risk management

There were no significant changes in the objectives and policies of the Group's financial risk management compared to those disclosed in Note 6(20) of the consolidated financial statements for the year ended December 31, 2023.

(XXI) Capital management

There were no significant changes in the objectives, policies and procedures of the Group's financial risk management compared to those disclosed in Note 6(21) of the consolidated financial statements for the year ended December 31, 2023.

(XXII) Non-cash transactions in investing and financing activities

1. Please refer to Note 6(7) for the right-of-use assets acquired by the Group through lease.
2. Investment activities with only partial cash outflows:

	January to June 2024	January to June 2023
Purchase of property, plant and equipment	$ 6,844	8,409
Add: accounts payable for equipment at beginning of period	4,202	8,210
Less: accounts payable for equipment at end of period	(4,809)	(512)
Cash paid during the period	$ 6,237	16,107

3. The liabilities from financing activities are reconciled in the following table:

			Non-cash changes		
	2024.1.1	Cash flows	Lease amendment	Exchange rate changes and others	2024.6.30
Short-term borrowings	$ 295,046	66,696	-	2,232	363,974
Long-term borrowings	350,000	-	-	-	350,000
Lease liabilities (including current and non-current)	79,105	(12,903)	-	2,207	68,409
Total liabilities from financing activities	$ 724,151	53,793	-	4,439	782,383

			Non-cash changes		
	2023.1.1	Cash flows	Lease amendment	Exchange rate changes and others	2023.6.30
Short-term borrowings	$ 506,085	(90,000)	-	(1,739)	414,346
Long-term borrowings	350,000	(100,000)	-	-	250,000
Lease liabilities (including current and non-current)	108,120	(13,958)	57	(2,449)	91,770
Total liabilities from financing activities	$ 964,205	(203,958)	57	(4,188)	756,116

VII. Related Party Transactions

(I) Parent company and ultimate controller

DFI Inc. (hereinafter referred to as "DFI") is the parent company of the Company, holding 51.38% of the Company's outstanding ordinary shares. Qisda Corporation (hereinafter referred to as "Qisda") is the ultimate controlling entity of the group to which the Company belongs. Both DFI and Qisda have prepared consolidated financial statements for public use.

(II) Name and relationship of related parties

The related parties with whom the Group had transactions during the reporting period covered by this consolidated financial report are as follows:

Name of related party	Relationship with the Group
Qisda Corporation (Qisda)	Ultimate controller of the Group
DFI Inc. (DFI)	Parent company of the Group
Alpha Networks Inc.	Subsidiaries directly or indirectly held by Qisda
Metaage Corporation	Subsidiaries directly or indirectly held by Qisda
Global Intelligence Network Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
AdvancedTEK International Corp.	Subsidiaries directly or indirectly held by Qisda
Golden Spirit Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
BenQ Material Corp.	Subsidiaries directly or indirectly held by Qisda
BenQ Asia Pacific Corp.	Subsidiaries directly or indirectly held by Qisda
BenQ Healthcare Corporation	Subsidiaries directly or indirectly held by Qisda
BenQ AB DentCare Corp.	Subsidiaries directly or indirectly held by Qisda
Concord Medical Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
BenQ Technology (Shanghai) Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
Metaguru Corporation	Subsidiaries directly or indirectly held by Qisda
AEWIN KOREA TECHNOLOGIES CO., LTD.	Substantive related party

(III) Material transactions with related party

1. Operating revenue

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Parent company	$ 2	-	7	12
Other related parties	2,494	8,646	3,208	10,378
	$ 2,496	8,646	3,215	10,390

The selling prices of goods to related parties by the Group are not significantly different from general sales prices. If the specifications are unique and there are no comparable transactions, the transactions are conducted at mutually agreed-upon prices.

2. Purchases

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Ultimate controller	$ 22,185	10,192	40,519	22,396
Parent company	2,612	160,325	6,107	282,812
	$ 24,797	170,517	46,626	305,208

The purchase prices from the aforementioned related parties by the Group are not significantly different from those of other suppliers. If the specifications are unique and there are no comparable transactions, the transactions are conducted at mutually agreed-upon prices.

3. Accounts receivable from related parties

In summary, the details of accounts receivable from related parties by the Group are as follows:

Account items	Category of related party	2024.6.30	2023.12.31	2023.6.30
Accounts receivable - related parties	Ultimate controller	$ 15,314	5,814	-
	Parent company	2	-	18,967
	Other related parties	2,617	349	8,172
		$ 17,933	6,163	27,139

The Company provides certain raw materials to the ultimate controlling party and the parent company for manufacturing. The semi-finished products produced are then sold back to the Company for further processing and assembly. To avoid double-counting the above purchase and sales amounts, the Company does not recognize the value of the raw materials provided to the ultimate controlling party and the parent company as operating revenue. Additionally, the accounts receivable and payable resulting from the sale of raw materials and the repurchase of semi-finished products are not offset against each other and are not presented on a net basis.

4. Others

The details of operating costs and expenses incurred by the Group due to related parties providing product manufacturing, management, and promotion services are as follows:

Account items	Category of related party	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Operating costs	Ultimate controller	$ 400	5	406	57
	Parent company	7,088	3,531	17,153	6,934
	Other related parties	140	84	198	223
		$ 7,628	3,620	17,757	7,214
Operating expenses	Ultimate controller	$ 430	309	730	520
	Parent company	3	230	3	580
	Other related parties	1,301	4,105	2,762	6,591
		$ 1,734	4,644	3,495	7,691

5. Accounts payable to related parties

In summary, the details of accounts payable to related parties by the Group are as follows:

Account items	Category of related party	2024.6.30	2023.12.31	2023.6.30
Accounts payable - related parties	Ultimate controller	$ 16,116	9,450	8,019
	Parent company	24,548	33,062	171,777
		$ 40,664	42,512	179,796
Other payables	Ultimate controller	$ 3,694	136	108
	Parent company	1,306	1,472	5,364
	Other related parties	2,245	786	2,761
		$ 7,245	2,394	8,233
Other payables - dividends payable	Parent company	$ 10,632	-	24,301

(IV) Remuneration of key management personnel

Remuneration of key management executives

	April to June 2024	April to June 2023	January to June 2024	January to June 2023
Short-term employee benefits	$ 4,911	4,110	8,990	8,646
Post-employment benefits	114	113	227	226
	$ 5,025	4,223	9,217	8,872

VIII. Pledged Assets

Details of the book value of assets provided as collateral by the Group are as follows:

Asset name	Collateral	2024.6.30	2023.12.31	2023.6.30
Financial assets measured at amortized cost - fixed deposits	Customs deposit	$ 209	209	209
Land, buildings and structures	Bank loan guarantees	442,749	446,422	450,094
		$ 442,958	446,631	450,303

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitments: None.

X. Significant Disaster Losses: None.

XI. Significant Events after the Balance Sheet Date

In order to repay bank loans and enhance operating capital, the Company's Board of Directors has resolved on July 16, 2024, to issue unsecured convertible bonds. The total face value of the bonds is expected to be capped at $500,000,000.

XII. Others

(I) Employee benefits, depreciation and amortization charges are summarized below by function:

By function / By nature	April to June 2024			April to June 2023		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefit expenses						
Salary expenses	16,038	60,664	76,702	14,915	57,387	72,302
Labor and health insurance expenses	1,746	4,695	6,441	1,753	4,433	6,186
Pension expenses	1,490	3,656	5,146	1,429	3,282	4,711
Other employee benefit expenses	1,728	3,677	5,405	1,477	3,365	4,842
Depreciation expenses	5,963	9,286	15,249	6,046	9,695	15,741
Amortization expenses	146	470	616	104	534	638

By function / By nature	January to June 2024			January to June 2023		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefit expenses						
Salary expenses	30,748	115,023	145,771	30,732	117,858	148,590
Labor and health insurance expenses	3,576	9,887	13,463	3,581	10,012	13,593
Pension expenses	2,963	7,256	10,219	2,883	6,538	9,421
Other employee benefit expenses	3,340	7,097	10,437	3,028	6,679	9,707
Depreciation expenses	11,856	18,560	30,416	11,795	19,728	31,523
Amortization expenses	313	948	1,261	209	1,061	1,270

(II) The Group's operation is not affected significantly by seasonal or periodical fluctuations.

(III) On August 15, 2023, the Company's Board of Directors resolved to activate company assets and increase operating capital by proposing to sell the Company's land and building located at Farglory U-TOWN, Xizhi District, New Taipei City, and to lease them back after the sale in order to maintain operations.

XIII. Notes Disclosure

(I) Information on significant transactions:

For the period from January 1, 2024 to June 30, 2024, the Group disclosed the following information regarding significant transactions that should be disclosed again in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers:

1. Lending funds to others: Please refer to Table 1.
2. Providing endorsements or guarantees for others: None.
3. Marketable securities held at the end of the period (excluding the investments in subsidiaries, associates and equity interests in joint ventures): Please refer to Table 2.
4. The cumulative purchase or sale of the same securities amounted to NTD 300 million or 20% and above of the paid-in capital: None.
5. The amount of property acquired reached NTD 300 million or 20% and above of the paid-in capital: None.
6. The amount of property disposal reached NTD 300 million or 20% and above of the paid-in capital: None.
7. The amount of purchases or sales with related parties reached NTD 100 million or 20% and above of the paid-in capital: Please refer to Table 3.
8. Receivables from related parties reached NTD 100 million or 20% and above of paid-in capital: Please refer to Table 4.
9. Engaged in derivative products transactions: Note 6 (2).
10. Business relationship and important transactions between the parent company and the subsidiaries: Please refer to Table 5.

(II) Information on investees: Please refer to Table 6.

(III) Information on investments in mainland China: Please refer to Table 7.

(IV) Information on major shareholders:

Unit: Shares

Shares / Name of major shareholders	Number of shares held	Shareholding ratio
DFI Inc.	30,376,000	51.38%
Qixin Co., Ltd.	6,830,610	11.55%

Note 1: The information on major shareholders in this table is calculated by the TDCC as of the last business day of each quarter. It includes data on shareholders who hold 5% or more of the Company's ordinary shares that have been fully dematerialized (including treasury shares). The number of shares recorded in the Company's financial report may differ from the actual number of shares that have been fully dematerialized due to differences in calculation bases.

XIV. Segment Information

The information provided to the chief operating decision-maker for resource allocation and performance evaluation focuses on the types of products delivered or services provided. Since the Company and its subsidiaries are engaged only in the design, manufacturing, and sale of network security-related products within a single industry, management views the entire company as a single segment. Therefore, the operating segment information is consistent with the consolidated financial statements.

Table 1

AEWIN Technologies Co., Ltd. and Subsidiaries
Lending funds to others
From January 1 to June 30, 2024

Unit: In thousands of New Taiwan Dollars/In thousands of foreign currencies

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance	Ending balance	Actual amount drawn down for the current period	Interest rate	Nature of loan (Note 2)	Transaction amount (Note 3)	Reason for short-term financing	Allowance for doubtful accounts amount	Collateral		Loan limit to individual counterpart (Note 1)	Total loan limit (Note 1)
													Name	Value		
0	The Company	Aewin Beijing Technologies Co., Ltd.	Other receivables	Yes	237,676 (USD 7,427)	172,608 (USD 5,319)	172,608 (USD 5,319)	-	1	262,655	Business transactions	-	-	-	251,202	502,404

Note 1: The total loan limit to related parties and the loan limit to individual counterparties are 40% and 20%, respectively, of the net equity as reported in the most recent financial statements audited or reviewed by the accountants.

Note 2: The loan details are as follows:

1. For parties with business transactions.
2. For parties with a short-term need for funding.

Note 3: The amount of business transactions is based on the sales transactions amount for the most recent fiscal year between the parties.

Note 4: The aforesaid transactions had been offset when the consolidated financial statements were prepared.

Table 2

AEWIN Technologies Co., Ltd. and Subsidiaries
Marketable securities held at the end of the period (excluding the investments in subsidiaries, associates and joint ventures)
June 30, 2024

Unit: In thousands of New Taiwan Dollars/In thousands of shares

Company held	Types and names of securities	Relationship with the securities issuer	General ledger account	End of period				Remarks
				Number of shares/units	Carrying amount	Shareholding ratio	Fair value	
The Company	AEWIN KOREA TECHNOLOGIES CO., LTD stock	Substantive related party	Financial assets at fair value through other comprehensive income - non-current	10	740	16.67%	740	
The Company	AuthenTrend Technology Inc. stock	-	Financial assets at fair value through profit or loss - non-current	300	-	1.42%	-	

Table 3

AEWIN Technologies Co., Ltd. and Subsidiaries
The amount of purchases or sales with related parties reached NTD 100 million or 20% and above of the paid-in capital
From January 1 to June 30, 2024

Unit: NTD thousand

Companies for purchases (sales)	Name of the counterparty	Relationship	Transaction status				Conditions and reasons for deviations from typical transaction terms		Notes and accounts receivable (payable)		Remarks
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Credit period	Unit price	Credit period	Balance	Proportion to total notes and accounts receivable (payable)	
The Company	AEWIN TECH	Parent company and subsidiary	(Sales)	(188,327)	28%	120 days after shipment	Comparable to general customers	(Note 1)	129,982	26%	(Note 2)
AEWIN TECH	The Company	Parent company and subsidiary	Purchases	188,327	100%	120 days after shipment	Comparable to general customers	(Note 1)	(129,982)	100%	(Note 2)

Note 1: Receivables are recognized 120 days after shipment, with possible extensions considered based on market conditions.

Note 2: The aforesaid transactions had been offset when the consolidated financial statements were prepared.

Table 4

AEWIN Technologies Co., Ltd. and Subsidiaries
Receivables from related parties reached NTD 100 million or 20% and above of paid-in capital
June 30, 2024

Unit: NTD thousand

Company with receivables	Name of the counterparty	Relationship	Receivables from related parties balance	Turnover rate	Overdue receivables from related parties		Amount recovered from receivables from related parties after the reporting period	Allowance for doubtful accounts amount
					Amount	Handling procedure		
The Company	Aewin Beijing Technologies Co., Ltd.	Parent company and subsidiary	252,197	0.51	199,170	Strengthen collection	-	-
The Company	Aewin Beijing Technologies Co., Ltd.	Parent company and subsidiary	172,608	-	-	-	45,305	-
The Company	AEWIN TECH INC.	Parent company and subsidiary	129,982	3.39	-	-	38,230	-

Note 1: The aforesaid transactions had been offset when the consolidated financial statements were prepared.

Table 5

AEWIN Technologies Co., Ltd. and Subsidiaries

Business relationship and important transactions between the parent company and the subsidiaries From January 1 to June 30, 2024

Unit: NTD thousand

No. (Note 1)	Name of the counterparty	Counterparty	Relationship with the counterparty (Note 2)	Transaction details			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total revenue or assets (Note 5)
0	The Company	Aewin Beijing Technologies Co., Ltd.	1	Sales	67,695	(Note 3)	7%
0	The Company	Aewin Beijing Technologies Co., Ltd.	1	Accounts receivable	252,197	(Note 3)	10%
0	The Company	Aewin Beijing Technologies Co., Ltd.	1	Other receivables	172,608	-	7%
0	The Company	AEWIN TECH INC.	1	Sales	188,327	(Note 4)	20%
0	The Company	AEWIN TECH INC.	1	Accounts receivable	129,982	(Note 4)	5%

Note 1: The numbering format is as follows:

1. 0 represents the parent company.
2. Subsidiaries are numbered sequentially starting from 1 according to their company designation.

Note 2: The types of relationships with the transacting parties are indicated as follows:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: 150 days after shipment and subject to extension according to market conditions.

Note 4: 120 days after shipment and subject to extension according to market conditions.

Note 5: It is calculated by dividing the transaction amount by consolidated operating revenue or consolidated total assets.

Note 6: The aforesaid transactions had been offset when the consolidated financial statements were prepared.

Note 7: For business relationships and significant transactions between the parent and subsidiary companies, only sales and receivables that account for 1% or more of consolidated revenue or assets are disclosed. Corresponding purchases and payables are not repeated.

Table 6

AEWIN Technologies Co., Ltd. and Subsidiaries
Information on investees (excluding investments in mainland China)
From January 1 to June 30, 2024

Unit: In thousands of New Taiwan Dollars/In thousands of shares

Name of investor company	Name of investee company	Location	Main business activities	Initial investment amount		Ending shareholding			Profit (loss) of the investee for the period	Investment profit (loss) recognized in the period	Remarks
				End of the period	End of last year	Number of shares	Ratio	Carrying amount			
The Company	Wise Way	Anguilla	Investment holding	46,129	46,129	1,500	100%	80,031	(33,603)	(33,603)	Parent company and subsidiary
The Company	Aewin Tech Inc.	USA	Business of wholesaling computers and their peripheral equipment and software	77,791	77,791	2,560	100%	26,061	10,253	10,253	Parent company and subsidiary
Wise Way	Bright Profit	Hong Kong	Investment holding	46,129	46,129	1,500	100%	116,507	(33,604)	-	

Note 1: In the table above, the direct and indirect subsidiaries controlled by the Company have been eliminated in the preparation of the consolidated financial statements.

Table 7

AEWIN Technologies Co., Ltd. and Subsidiaries
Information on investments in mainland China
From January 1 to June 30, 2024

1. Information on reinvestment in mainland China:

Unit: In thousands of New Taiwan Dollars/In thousands of foreign currencies

Name of investee company in mainland China	Main business activities	Paid-in capital	Investment method	Cumulative investment amount remitted from Taiwan at the beginning of the period	Investment amount remitted or recovered during the period		Cumulative investment amount remitted from Taiwan at the end of the period	Profit or loss of the investee for the period	Shareholding ratio of direct or indirect investment of the Company	Investment profit (loss) recognized in the period	Ending carrying value of investment (Note 5)	Investment income repatriated as of the end of the reporting period
					Remitted	Repatriated						
Aewin Beijing Technologies Co., Ltd.	Business of wholesaling computers and their peripheral equipment and software	46,129 (USD 1,500)	(Note 1)	46,129 (USD 1,500)	-	-	46,129 (USD 1,500)	(33,604)	100%	(33,604) (Note 3)	116,502	-
Aewin (Shenzhen) Technologies Co., Ltd.	Business of wholesaling computers and their peripheral equipment and software	15,265 (CNY 3,500)	(Note 2)	- -	-	-	- -	1,288 (CNY 286)	100%	1,288 (CNY 286)	513 (CNY 115)	-

2. Limit of investment in mainland China:

Name of investor company	Cumulative investment amount remitted from Taiwan to mainland China at the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Upper limit on investment in mainland China regulated by the Investment Commission of the Ministry of Economic Affairs
The Company	46,129 (USD 1,500)	64,900 (USD 2,000)	753,605 (Note 4)

Note 1: Investment in mainland China was made through the establishment of the company BRIGHT PROFIT in a third region.
Note 2: The investment in the mainland company was made through Aewin Beijing Technologies Co., Ltd.
Note 3: The investment is recognized based on the financial statements of the invested company, which have been reviewed by the accountants of the Taiwan parent company.
Note 4: According to the "Principles for Reviewing Investment or Technical Cooperation with Mainland China", the investment limit in mainland China is 60% of net worth.
Note 5: The aforesaid investments had been offset when the consolidated financial statements were prepared.

3. Material transactions with investees in mainland China:
Please refer to the statement under the "Information on significant transactions" and "Business relationship and important transactions between the parent company and the subsidiaries" for the direct or indirect material transactions between the Group and the investees in mainland China from January 1 to June 30, 2024 (these transactions had been written off when the consolidated financial statements were prepared).