

**JETWAY INFORMATION  
CO., LTD.  
AND SUBSIDIARIES**

**Consolidated Financial Statements and  
Independent Auditors' Report**

**For the Three Months Ended March 31, 2024 and 2023**

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# Independent Auditors' Review Report

(113) Cai-Shen-Bao-Zi No. 24000057

To Jetway Information Co., Ltd.:

## Introduction

Jetway Information Co., Ltd. (hereinafter referred to as "Jetway Group") has completed the audit of the consolidated balance sheet as of March 31, 2024 and 2023, as well as the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flow for the period from January 1 to March 31 of both years, along with the notes to the consolidated financial statement (including a summary of significant accounting policies). Management is responsible for the preparation and fair presentation of the 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 of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

## Scope of Review

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

## Basis for Qualified Conclusion

As described in the consolidated financial statements Note 4 (3), the financial statements for the same period of certain non-significant subsidiaries included in the aforementioned consolidated financial statements were not reviewed by auditors. As of March 31, 2024 and 2023, their total assets amounted to NT\$143,171 thousand and NT\$138,096 thousand, respectively, representing 7.54% and 7.41% of the total consolidated assets. The total liabilities were NT\$17,437 thousand and NT\$14,342 thousand, respectively, representing 4.58% and 3.84% of the total consolidated liabilities. The comprehensive income for the period from January 1 to March 31, 2024 and 2023 amounted to NT\$3,217 thousand and NT\$49 thousand, respectively, representing 4.69% and 0.30% of the total consolidated comprehensive income.

## Qualified Conclusion

In the opinion of the auditors' reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Jetway Group as of March 31, 2024 and

2023, its consolidated financial performance for the three months then ended, and its consolidated financial performance and its consolidated cash flows for the three months then ended 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 of the Republic of China.

PwC Taiwan

PO-CHUAN LIN

CPA

CHIH-HUA HU

Financial Supervision Commission Approval No.:

Jin-Guan-Zheng-Shen-Zi No. 1100350706

Jin-Guan-Zheng-Shen-Zi No. 1120348565

May 7, 2024

**Jetway Information Co., Ltd. and Subsidiaries**  
**Consolidated Balance Sheet**  
**March 31, 2024 and December 31, 2023, March 31, 2023**

Unit: NTD in thousands

Asset	Notes	March 31, 2024		December 31, 2023		March 31, 2023		Liabilities and equity	Notes	March 31, 2024		December 31, 2023		March 31, 2023		
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%	
<b>Current assets</b>								25XX	<b>Total non-current liabilities</b>		55,914	3	50,787	3	44,834	2
1100	Cash and cash equivalents	6 (1)	\$ 912,693	48	\$ 865,919	48	\$ 777,378	41	2XXX	<b>Total liabilities</b>	380,767	20	364,477	20	373,870	20
1136	Financial assets measured at amortized cost - current	6 (2)	96,000	5	30,705	2	92,850	5		<b>Equity attributable to owners of the parent company</b>						
1150	Net notes receivable	6 (3)	2,898	-	2,644	-	665	-		Capital stock						
1170	Net accounts receivable	6 (3)	85,856	5	103,252	6	89,016	5	3110	Common stock	749,833	39	749,833	41	749,833	40
1180	Accounts receivable - related parties, net	6 (3) & 7	2,504	-	235	-	-	-		Capital surplus						
1220	Current income tax assets		-	-	-	-	51	-	3200	Capital surplus	127,452	7	127,452	7	127,452	7
130X	Inventory	6 (4)	282,117	15	298,963	16	387,443	21		Retained earnings						
1410	Prepayment		22,554	1	20,576	1	17,212	1	3310	Legal reserve	146,153	8	146,153	8	118,443	6
1470	Other current assets		5,282	-	3,413	-	4,287	-	3320	Special reserve	9,777	-	9,777	1	52,240	3
11XX	<b>Total current assets</b>		<u>1,409,904</u>	<u>74</u>	<u>1,325,707</u>	<u>73</u>	<u>1,368,902</u>	<u>73</u>	3350	Unappropriated earnings	486,052	26	434,441	24	452,577	24
<b>Non-current assets</b>										6 (13)	Other equity					
1600	Property, plant and equipment	6 (5) & 8	391,598	21	391,526	22	402,783	22	3400	Other equity	( 850)	-	( 17,813)	( 1)	( 11,439)	-
1755	Right-of-use assets	6 (6)	59,425	3	58,151	3	48,839	3	31XX	<b>Total equity attributable to owners of the parent company</b>	1,518,417	80	1,449,843	80	1,489,106	80
1780	Intangible assets		417	-	632	-	3,098	-	3XXX	<b>Total equity</b>	1,518,417	80	1,449,843	80	1,489,106	80
1840	Deferred income tax assets		23,781	1	25,032	1	30,935	2		Significant contingent liabilities and unrecognized contractual commitments						
1900	Other non-current assets		14,059	1	13,272	1	8,419	-	3X2X	<b>Total liabilities and equity</b>	\$ 1,899,184	100	\$ 1,814,320	100	\$ 1,862,976	100
15XX	<b>Total non-current assets</b>		<u>489,280</u>	<u>26</u>	<u>488,613</u>	<u>27</u>	<u>494,074</u>	<u>27</u>								
1XXX	<b>Total assets</b>		<u>\$ 1,899,184</u>	<u>100</u>	<u>\$ 1,814,320</u>	<u>100</u>	<u>\$ 1,862,976</u>	<u>100</u>								
<b>Liabilities and equity</b>																
2130	<b>Contract liabilities</b>	6 (14)	\$ 35,887	2	\$ 28,065	2	\$ 37,046	2								
2150	Notes payable		-	-	-	-	712	-								
2170	Accounts payable		138,224	7	154,044	8	105,117	6								
2180	Accounts payable - related parties	7	10,735	1	3,772	-	-	-								
2200	Other payables	6 (7)	91,960	5	95,089	5	131,008	7								
2230	Current income tax liabilities		26,805	1	12,298	1	34,877	2								
2250	Provisions for liabilities - current	6 (9)	6,411	-	7,782	-	9,927	1								
2280	Lease liabilities - current		14,547	1	12,086	1	7,672	-								
2399	Other current liabilities - others		284	-	554	-	2,677	-								
21XX	<b>Total current liabilities</b>		<u>324,853</u>	<u>17</u>	<u>313,690</u>	<u>17</u>	<u>329,036</u>	<u>18</u>								
<b>Non-current liabilities</b>																
2550	Provisions for liabilities - non-current	6 (9)	5,521	-	5,102	-	6,413	-								
2570	Deferred income tax liabilities		16,211	1	11,373	1	7,519	-								
2580	Lease liabilities - non-current		23,947	1	24,531	1	18,622	1								
2600	Other non-current liabilities		10,235	1	9,781	1	12,280	1								

The accompanying notes to the consolidated financial statements are an integral part of these financial statements and should be read in conjunction therewith.

Chairman: Yung-Shun Chuang

Manager: Chien-Hung Lin

Accounting Supervisor: Chen-Yen Chuang

**Jetway Information Co., Ltd. and Subsidiaries**  
**Consolidated Statement of Comprehensive Income**  
**From January 1 to March 31, 2024 and 2023**

Unit: NTD in thousands

Item	Notes	From January 1 to March 31, 2024		From January 1 to March 31, 2023	
		Amount	%	Amount	%
4000 Operating revenue	6 (14) & 7	\$ 315,672	100	\$ 301,186	100
5000 Operating cost	6 (4)(18) (19) & 7	( 187,265)	( 59)	( 200,589)	( 66)
5900 Gross profit		<u>128,407</u>	<u>41</u>	<u>100,597</u>	<u>34</u>
Operating expenses	6 (18)(19)				
6100 Sales promotion expenses		( 35,822)	( 11)	( 34,176)	( 11)
6200 Administrative expenses		( 29,618)	( 10)	( 24,881)	( 8)
6300 Research and development expenses		( 17,918)	( 6)	( 17,126)	( 6)
6450 Expected credit impairment (losses) gains	12 (2)	( 3)	-	1,327	-
6000 Total operating expenses		<u>( 83,361)</u>	<u>( 27)</u>	<u>( 74,856)</u>	<u>( 25)</u>
6900 Operating profit		<u>45,046</u>	<u>14</u>	<u>25,741</u>	<u>9</u>
Non-operating income and expenses					
7100 Interest income	6 (15)	3,463	1	1,550	-
7010 Other income	6 (16)	4,837	2	1,596	1
7020 Other gains and losses	6 (17)	15,541	5	1,055	-
7050 Finance costs		( 143)	-	( 28)	-
7000 Total non-operating income and expenses		<u>23,698</u>	<u>8</u>	<u>4,173</u>	<u>1</u>
7900 Profit before tax		<u>68,744</u>	<u>22</u>	<u>29,914</u>	<u>10</u>
7950 Income tax expense	6 (20)	( 17,133)	( 6)	( 11,736)	( 4)
8200 Net profit for the period		<u>\$ 51,611</u>	<u>16</u>	<u>\$ 18,178</u>	<u>6</u>
<b>Other comprehensive income (net)</b>					
<b>Items that may be subsequently reclassified to profit or loss</b>					
8361 Exchange differences on translating foreign operations' financial statements	6 (13)	\$ 21,203	7	(\$ 2,076)	( 1)
8399 Income tax related to items that may be reclassified	6 (13) (20)	( 4,240)	( 1)	415	-
8360 Total items that may be subsequently reclassified to profit or loss		<u>16,963</u>	<u>6</u>	<u>( 1,661)</u>	<u>( 1)</u>
8300 Other comprehensive income (net)		<u>\$ 16,963</u>	<u>6</u>	<u>(\$ 1,661)</u>	<u>( 1)</u>
8500 Total comprehensive income for the period		<u>\$ 68,574</u>	<u>22</u>	<u>\$ 16,517</u>	<u>5</u>
Net income attributable to:					
8610 Owners of the parent company		<u>\$ 51,611</u>	<u>16</u>	<u>\$ 18,178</u>	<u>6</u>
Total comprehensive income attributable to:					
8710 Owners of the parent company		<u>\$ 68,574</u>	<u>22</u>	<u>\$ 16,517</u>	<u>5</u>
Earnings per share	6 (21)				
9750 Basic earnings per share		<u>\$ 0.69</u>		<u>\$ 0.24</u>	
9850 Diluted earnings per share		<u>\$ 0.69</u>		<u>\$ 0.24</u>	

The accompanying notes to the consolidated financial statements are an integral part of these financial statements and should be read in conjunction therewith.

Chairman: Yung-Shun Chuang

Manager: Chien-Hung Lin

Accounting Supervisor: Chen-Yen Chuang

**Jetway Information Co., Ltd. and Subsidiaries**  
**Consolidated Statement of Changes in Equity**  
**From January 1 to March 31, 2024 and 2023**

Unit: NTD in thousands

Notes	Equity attributable to owners of the parent company							Total equity
	Common stock	Capital surplus		Retained earnings			Exchange differences on translating foreign operations' financial statements	
		Capital surplus - issue premium	Capital surplus - other	Legal reserve	Special reserve	Unappropriated earnings		
<b>From January 1 to March 31, 2023</b>								
January 1, 2023	\$ 749,833	\$ 108,818	\$ 18,634	\$ 118,443	\$ 52,240	\$ 434,399	( \$ 9,778)	\$ 1,472,589
Net profit for the period	-	-	-	-	-	18,178	-	18,178
Other comprehensive income for the period	-	-	-	-	-	-	( 1,661)	( 1,661)
Total comprehensive income for the period	-	-	-	-	-	18,178	( 1,661)	16,517
March 31, 2023	<u>\$ 749,833</u>	<u>\$ 108,818</u>	<u>\$ 18,634</u>	<u>\$ 118,443</u>	<u>\$ 52,240</u>	<u>\$ 452,577</u>	<u>( \$ 11,439)</u>	<u>\$ 1,489,106</u>
<b>From January 1 to March 31, 2024</b>								
January 1, 2024	\$ 749,833	\$ 108,818	\$ 18,634	\$ 146,153	\$ 9,777	\$ 434,441	( \$ 17,813)	\$ 1,449,843
Net profit for the period	-	-	-	-	-	51,611	-	51,611
Other comprehensive income for the period	-	-	-	-	-	-	16,963	16,963
Total comprehensive income for the period	-	-	-	-	-	51,611	16,963	68,574
March 31, 2024	<u>\$ 749,833</u>	<u>\$ 108,818</u>	<u>\$ 18,634</u>	<u>\$ 146,153</u>	<u>\$ 9,777</u>	<u>\$ 486,052</u>	<u>( \$ 850)</u>	<u>\$ 1,518,417</u>

The accompanying notes to the consolidated financial statements are an integral part of these financial statements and should be read in conjunction therewith.

Chairman: Yung-Shun Chuang

Manager: Chien-Hung Lin

Accounting Supervisor: Chen-Yen Chuang

**Jetway Information Co., Ltd. and Subsidiaries**  
**Consolidated Statement of Cash Flow**  
**From January 1 to March 31, 2024 and 2023**

Unit: NTD in thousands

	<u>Notes</u>	<u>From January 1 to March 31, 2024</u>	<u>From January 1 to March 31, 2023</u>
<b><u>Cash flows from operating activities</u></b>			
Profit before tax for the current period		\$ 68,744	\$ 29,914
Adjustments			
Income and expense items			
Depreciation expenses	6 (5) (6) (18)	7,960	9,502
Amortization expenses	6 (18)	221	209
Expected credit impairment (gain)	12 (2)	3	( 1,327 )
Interest expenses		143	28
Interest income	6 (15)	( 3,463 )	( 1,550 )
Loss on disposal of property, plant and equipment	6 (17)	60	-
Net changes in assets/liabilities related to operating activities			
Net changes in operating assets			
Notes receivable		( 253 )	1,284
Accounts receivable		15,123	( 12,025 )
Inventory		16,846	3,487
Prepayment		( 1,978 )	2,204
Other current assets		( 1,869 )	1,460
Other non-current assets		450	834
Net changes in operating liabilities			
Contract liabilities		7,822	9,085
Notes payable		-	( 1,061 )
Accounts payable		( 8,857 )	28,674
Other payables		( 3,129 )	( 18,079 )
Provisions for liabilities		( 952 )	( 530 )
Other current liabilities		( 270 )	618
Cash inflows generated from operations		96,601	52,727
Interest received		3,463	1,550
Interest paid		( 143 )	( 28 )
Income taxes paid		( 777 )	( 9,269 )
Net cash inflow from operating activities		<u>99,144</u>	<u>44,980</u>
<b><u>Cash flows from investing activities</u></b>			
Increase in financial assets measured at amortized cost		( 65,295 )	( 42,850 )
Acquisition of property, plant, and equipment	6 (5)	( 1,222 )	( 18 )
Increase in refundable deposits		( 1,212 )	( 3 )
Net cash outflow from investing activities		<u>( 67,729 )</u>	<u>( 42,871 )</u>
<b><u>Cash flows from financing activities</u></b>			
Increase in guarantee deposits received		353	-
Decrease in other non-current liabilities		-	( 14 )
Principal repayments of lease liabilities	6 (22)	( 2,455 )	( 1,278 )
Net cash outflow from financing activities		<u>( 2,102 )</u>	<u>( 1,292 )</u>
Exchange rate impact		<u>17,461</u>	<u>( 3,059 )</u>
Increase (Decrease) in cash and cash equivalents for the period		46,774	( 2,242 )
Cash and cash equivalents balance at the beginning of the period		<u>865,919</u>	<u>779,620</u>
Cash and cash equivalents balance at the end of the period		<u>\$ 912,693</u>	<u>\$ 777,378</u>

The accompanying notes to the consolidated financial statements are an integral part of these financial statements and should be read in conjunction therewith.

Chairman: Yung-Shun Chuang

Manager: Chien-Hung Lin

Accounting Supervisor: Chen-Yen Chuang



**Jetway Information Co., Ltd. and Subsidiaries**  
**Notes to the Consolidated Financial Statement**  
**For the Three Months Ended March 31, 2024 and 2023**

Unit: NTD in thousands  
(except stated otherwise)

**(I) Company history**

Jetway Information Co., Ltd. (hereinafter referred to as "the Company") was established in the Republic of China and was approved for establishment in August 1986. The main business of the Company and subsidiaries (hereinafter referred to as "the Group") is the manufacturing, processing, and sales of industrial motherboards and computer peripherals.

AAEON Technology Inc. holds 35.27% interest in the Company, and ASUSTEK Computer Inc. is the ultimate parent company of the Group.

**(II) Date and procedure for approving the financial statements**

The consolidated financial statement was approved for issuance by the Board of Directors on May 7, 2024.

**(III) Application of newly issued and revised standards and interpretations**

1. The impact of adopting newly issued and amended International Financial Reporting Standards Accounting Standards (IFRSs) approved and effective by the Financial Supervisory Commission (hereinafter referred to as the "FSC")

The table Standards Accounting below lists the newly issued, amended, and revised IFRSs Accounting Standards and interpretations that the FSC has approved for 2023:

<b><u>New Standards, Interpretations and Amendments</u></b>	<b><u>Effective date issued by the IASB</u></b>
Amendments to IFRS 16 "Lease Liabilities in Sale and Leaseback Transactions"	January 1, 2024
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024

The Group has assessed that the above standards and interpretations have no significant impact on the Group's financial position and performance.

2. The impact of IFRSs Accounting Standards not yet adopted by the FSC  
None.
3. The impact of IFRSs Accounting Standards issued by the International Accounting Standards Board but not yet approved by the FSC

The table below lists the newly issued, amended, and revised IFRSs Accounting Standards and interpretations that have been issued by the International Accounting Standards Board but have not yet been approved for issuance by the FSC:

<b><u>New Standards, Interpretations and Amendments</u></b>	<b><u>Effective date issued by the IASB</u></b>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures"	To be determined by the IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "First-time Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Group has assessed that the above standards and interpretations have no significant impact on the Group's financial position and performance, the relevant impact amounts will be disclosed upon completion of the assessment, except as described below:

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 "Presentation and Disclosure in Financial Statements", replaces IAS 1 and updates the comprehensive income statement's structure. It also introduces new disclosures for measuring management performance and strengthens the principles of aggregation and disaggregation applied in the primary financial statements and notes.

#### **(IV) Summary of significant accounting policies**

The main accounting policies adopted in the preparation of this consolidated financial statement are as follows. Except where otherwise stated, these policies have been consistently applied throughout all reporting periods.

##### 1. Compliance statement

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS 34 "Interim Financial Reporting", as approved and issued by the Financial Supervisory Commission.

##### 2. Basis of preparation

1) This consolidated financial statement has been prepared on a historical cost basis, except for the following significant items:

A. Defined benefit liabilities recognized at the net amount of the retirement plan assets minus the present value of the defined benefit obligations.

- 2) Preparing financial statements in accordance with International Financial Reporting Standards, International Accounting Standards, Interpretations, and explanatory announcements (hereinafter referred to as IFRSs) approved and enacted by the Financial Supervisory Commission that requires the use of some significant accounting estimates, and management is required to exercise judgment in applying the Group's accounting policies. Items involving high degrees of judgment or complexity, or items related to significant assumptions and estimates in the consolidated financial statement, are described in Note 5.
3. Consolidation basis
    - 1) Principles for preparing consolidated financial statements
      - A. The Group includes all subsidiaries in the preparation of consolidated financial statements. A subsidiary is an entity (including structured entities) that is controlled by the Group when the Group is exposed to 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. Subsidiaries are included in the consolidated financial statements from the date the Group gains control and are deconsolidated from the date control is lost.
      - B. Transactions, balances, and unrealized gains and losses between companies within the Group have been eliminated. The accounting policies of subsidiaries have been adjusted as necessary to be consistent with the policies adopted by the Group.
      - C. Components of profit or loss and other comprehensive income are attributed to the owners of the parent company and non-controlling interests; total comprehensive income is also attributed to the owners of the parent company and non-controlling interests, even if this results in a deficit balance for non-controlling interests.
      - D. Changes in the Group's ownership interests in subsidiaries that do not result in a loss of control (transactions with non-controlling interests) are treated as equity transactions, i.e., as transactions with owners. The difference between the adjustment amount of non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity.
      - E. When the Group loses control of a subsidiary, the remaining investment in the former subsidiary is remeasured at fair value and is recognized as the fair value of the initially recognized financial asset or the cost of initially recognized investment in an associate or joint venture. The difference between the fair value and carrying amount is recognized in profit or loss for the current period. All amounts previously recognized in other comprehensive income related to the subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities, i.e., if the gains or losses previously recognized in other comprehensive income would be reclassified to profit or loss upon the disposal of the related assets or liabilities, the gains or losses are reclassified from equity to profit or loss when control of the subsidiary is lost.

2) Subsidiaries included in the consolidated financial statements:

<u>Investment company name</u>	<u>Subsidiary name</u>	<u>Nature of business</u>	<u>Percentage of shareholding</u>			<u>Notes</u>
			<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>	
Jetway Information Co., Ltd.	JET WAY COMPUTER CORP. (United States)	Computer and peripheral equipment sales and maintenance	100%	100%	100%	
Jetway Information Co., Ltd.	JET WAY COMPUTER B.V. (Netherlands)	Computer and peripheral equipment sales and maintenance	100%	100%	100%	Note 2
Jetway Information Co., Ltd.	JET WAY (FAR EAST) INFORMATION COMPANY LIMITED	Investment in computer and peripheral equipment	100%	100%	100%	Note 2
Jetway Information Co., Ltd.	TOP NOVEL ENTERPRISE CORP. (Seychelles)	Investment in computer and peripheral equipment	100%	100%	100%	
JET WAY (FAR EAST) INFORMATION COMPANY LIMITED	SCORETIME INVESTMENT LIMITED	Investment in computer and peripheral equipment	100%	100%	100%	Note 2
TOP NOVEL ENTERPRISE CORP. (Seychelles)	TIME PIONEER INTERNATIONAL LIMITED	Investment in computer and peripheral equipment	-	-	-	Note 1
TOP NOVEL ENTERPRISE CORP. (Seychelles)	CANDID INTERNATIONAL CORP.	Investment in computer and peripheral equipment	100%	100%	100%	
CANDID INTERNATIONAL CORP.	FUJIAN CANDID INTERNATIONAL CO., LTD.	Computer and peripheral equipment manufacturing and sales	100%	100%	100%	

Note1: TIME PIONEER INTERNATIONAL LIMITED was deregistered in December 2023.

Note2: Due to not meet the definition of a significant subsidiary, the financial reports of the subsidiary as of March 31, 2024 and 2023 were not reviewed by auditors.

- 3) Subsidiaries not included in the consolidated financial statements: None.
  - 4) Adjustments and treatment methods for subsidiaries with different accounting periods: None.
  - 5) Significant restrictions: None.
  - 6) Subsidiaries with significant non-controlling interests for the Group: None.
4. Foreign currency translation

Items included in the financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the entity operates (i.e., the functional currency). This consolidated financial statement is presented in the Company's functional currency, New Taiwan Dollar (NTD).

- 1) Foreign currency transactions and balances
  - A Foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date or the measurement date. Exchange differences arising from the translation of these transactions are recognized in the current profit or loss.
  - B Foreign currency monetary assets and liabilities are translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising from the translation adjustments are recognized in the current profit or loss.
  - C Foreign currency non-monetary assets and liabilities are translated as follows: those measured at fair value through profit or loss are translated at the exchange rates prevailing at the balance sheet date, with exchange differences recognized in the current profit or loss; those measured at fair value through other comprehensive income are translated at the exchange rates prevailing at the balance sheet date, with exchange differences recognized in other comprehensive income items; and those not measured at fair value are measured at the historical exchange rates at the initial transaction date.
  - D All exchange gains and losses are presented in "Other Gains and Losses" in the statement of comprehensive income.
- 2) Translation of foreign operations
  - A. For entities whose functional currency is different from the presentation currency, their operating results and financial position are translated into the presentation currency as follows:
    - a. Assets and liabilities presented in each balance sheet are translated at the closing exchange rate at the date of the balance sheet;
    - b. Revenues and expenses presented in each statement of comprehensive income are translated at the average exchange rate for the period; and

- c. All exchange differences arising from the translation are recognized in other comprehensive income.
  - B. When a foreign operation that is a subsidiary is partially disposed of or sold, the cumulative exchange differences recognized in other comprehensive income are reattributed to the non-controlling interests in the foreign operation on a proportional basis. However, when the Group retains some interest in the former subsidiary but loses control over the foreign operation, the disposal of the entire interest in the foreign operation is treated as such.

5. Criteria for classifying assets and liabilities as current and non-current

- 1) An asset is classified as a current asset if it meets one of the following conditions:
  - A It is expected to be realized or intended to be sold or consumed within the normal operating cycle.
  - B It is primarily held for trading purposes.
  - C It is expected to be realized within twelve months after the balance sheet date.
  - D It is cash or cash equivalent, except for those restricted from being exchanged or used to settle liabilities for at least twelve months after the balance sheet date.

The Group classifies all assets that do not meet the above conditions as non-current assets.

- 2) A liability is classified as a current liability if it meets one of the following conditions:
  - A. It is expected to be settled within the normal operating cycle.
  - B. It is primarily held for trading purposes.
  - C. It is expected to be settled within twelve months after the balance sheet date.
  - D. It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

The Group classifies all liabilities that do not meet the above conditions as non-current liabilities.

6. Cash equivalents

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

7. Financial assets measured at amortized cost

The Group holds time deposits that do not qualify as cash equivalents, and since the holding period is short and the effect of discounting is not significant, they are measured at the investment amount.

8. Accounts receivable and notes receivable

- 1) These refer to accounts and notes receivable that, according to the contract, have an unconditional right to receive the consideration amount in exchange for transferring goods or services.
- 2) For short-term accounts and notes receivable without interest, the effect of discounting is insignificant, so the Group measures them at the original invoice amount.

9. Impairment of financial assets

On each balance sheet date, the Group measures the allowance for losses on financial assets measured at amortized cost and accounts receivable with significant financial components, considering all reasonable and verifiable information (including forward-looking ones). For those with no significant increase in credit risk since initial recognition, the allowance is measured based on the 12-month expected credit loss amount; for those with a significant increase in credit risk since initial recognition, the allowance is measured based on the expected credit loss amount over the entire lifetime; for accounts receivable without significant financial components, the allowance is measured based on the expected credit loss amount over the entire lifetime.

10. Derecognition of financial assets

Financial assets are derecognized when the Group's contractual rights to receive cash flows from the financial assets have expired.

11. Inventory

Inventories are measured at the lower of cost and net realizable value, with the cost determined by the weighted average method. The cost of finished goods and work in progress includes raw materials, direct labor, other direct costs, and production-related manufacturing expenses (allocated based on normal production capacity) but does not include borrowing costs. When comparing cost and net realizable value, the item-by-item comparison method is used. Net realizable value refers to the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to complete the sale.

12. Property, plant and equipment

- 1) Property, plant and equipment are accounted for on an acquisition cost basis and interest is capitalized over the period of acquisition.

- 2) Subsequent costs are only included in the carrying amount of the asset or recognized as a separate asset when 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 the replaced part is derecognized. All other repair costs are recognized as current period profit or loss when incurred. Property, plant, and equipment are subsequently measured using the cost model. Except for land, which is not depreciated, other items are depreciated on a straight-line basis over their estimated useful lives. If significant components of property, plant, and equipment exist, depreciation is recognized separately.
- 3) At the end of each financial year, the Group reviews the residual values, useful lives, and depreciation methods of each asset. If the expected residual values and useful lives are different from previous estimates, or if there is a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the changes are treated as a change in accounting estimates in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date the changes occur. The useful lives of various assets are as follows:

Buildings and structures	10 years ~ 40 years
Machinery and equipment	3 years ~ 10 years
Office equipment	5 years
Transportation equipment	7 years
Other equipment	3 years ~ 7 years

13. Lessee's lease transactions - Right-of-use assets / Lease liabilities

- 1) Lease assets are recognized as right-of-use assets and lease liabilities on the date they are available for the Group's use. When a lease contract is classified as a short-term lease or a lease of low-value assets, lease payments are recognized as expenses on a straight-line basis over the lease term.
- 2) Lease liabilities are recognized on the commencement date of the lease at the present value of the unpaid lease payments, discounted using the Group's incremental borrowing rate, with fixed payments, and reduced by any lease incentives that can be collected.  
  
Subsequently, the lease liabilities are measured using the amortized cost method with interest expense recognized during the lease term. When changes in the lease term or lease payments occur not due to a contract modification, the lease liabilities will be reassessed, and the adjustment from the re-measurement will be applied to the right-of-use assets.
- 3) Right-of-use assets are recognized at cost on the commencement date of the lease, which includes:
  - A. The original measurement amount of lease liabilities
  - B. Any lease payments made on or before the commencement date



Subsequently, the right-of-use assets are measured using the cost model, with depreciation expense recognized when the useful life of the right-of-use asset expires or the lease term expires, whichever is earlier. When lease liabilities are reassessed, the right-of-use assets will be adjusted for any re-measurement amounts of lease liabilities.

14. Intangible assets

Intangible assets mainly consist of computer software costs, which are recognized at the acquisition cost and amortized on a straight-line basis over their estimated useful lives of 1 to 10 years.

15. Impairment of non-financial asset

The Group estimates the recoverable amount of assets that show signs of impairment at the balance sheet date and recognizes an impairment loss when the recoverable amount is less than their carrying amount. The recoverable amount is the higher of an asset's fair value less disposal costs or its value in use. When the circumstances that led to the recognition of an asset's impairment loss in previous years no longer exist or decrease, the impairment loss is reversed. However, the increase in the carrying amount of the asset due to the reversal of the impairment loss shall not exceed the carrying amount of the asset after deducting depreciation or amortization if no impairment loss had been recognized.

16. Accounts payable and notes payable

- 1) Refers to debts arising from the purchase of raw materials, goods, or services on credit and notes payable arising from both business and non-business operations.
- 2) For short-term accounts payable and notes payable without interest, the Group initially measures them at their fair value, as the impact of discounting is not significant.

17. Derecognition of financial liabilities

The Group derecognizes financial liabilities when the contractual obligations are discharged, cancelled, or expired.

18. Offsetting financial assets and liabilities

Financial assets and liabilities are offset and presented as a net amount in the balance sheet only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

19. Provisions for liabilities

Provisions for warranty liabilities are recognized when there is a present legal or constructive obligation arising from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Provisions for liabilities are measured at the present value of the best estimate of the expenditures required to settle the obligation at the balance sheet date, using a pre-tax discount rate that reflects current market assessments of the time value of money and the specific risks of the liability. The amortization of the discount is recognized as interest expense. Future operating losses shall not be recognized as provisions for liabilities.

20. Employee benefits

1) Short-term employee benefits

Short-term employee benefits are measured at the non-discounted amount of expected payments and are recognized as an expense when the related services are provided.

2) Pension

A. Defined contribution plans

In the case of defined contribution plans, the amount of pension fund contributions is recognized as pension cost on an accrual basis. Prepayments of future contributions are recognized as an asset to the extent that they are refundable in cash or reduce future payments.

B. Defined benefit plans

- a. The net obligation under a defined benefit plan is calculated by discounting the amount of future benefits earned by employees for their current or past service, and is presented as the present value of the defined benefit obligation at the balance sheet date, less the fair value of the plan assets. The defined benefit net obligation is calculated annually by an actuary using the projected unit credit method, and the discount rate is the market yield on government bonds (as of the balance sheet date) that is consistent with the currency and duration of the defined benefit plan.
- b. The remeasurement amounts arising from defined benefit plans are recognized in other comprehensive income in the period in which they occur and are presented in retained earnings.
- c. Pension costs for the interim period are calculated basis by its actuarially determined rate at the end of the previous financial year from the start of the year to the end of the current period. Adjustments are made for significant market fluctuations, significant curtailments, settlements, or other significant one-off events that occur after the end date, with relevant information disclosed in accordance with the aforementioned policies.

3) Employee and director compensation

Employee and director compensation is recognized as an expense and liability when there is a legal or constructive obligation, and the amount can be reasonably estimated. Subsequent differences between the actual distribution amount and the estimated amount are treated as changes in accounting estimates. For employee compensation distributed in shares, the basis for calculating the number of shares is the closing price on the day before the board resolution date.

## 21. Income tax

- 1) Income tax expense consists of current and deferred income taxes. Income taxes are recognized in profit or loss, except for those items included in other comprehensive income or directly in equity are respectively classified under other comprehensive income or directly in equity.
- 2) The Group calculates current income tax based on the tax rates that have been enacted or substantively enacted in the countries where the Group operates and generates taxable income at the balance sheet date. Management regularly assesses the status of income tax filings in accordance with applicable tax regulations and accrues income tax liabilities based on the expected amount to be paid to tax authorities, where applicable. Income tax on undistributed earnings is levied in accordance with the Income Tax Act, and undistributed earnings tax expenses are recognized based on the actual distribution of earnings after the approval of dividend distribution proposals at the shareholders' meeting in the following year of the earnings generation.
- 3) Deferred income tax is recognized using the balance sheet method, based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. Deferred income tax liabilities arising from goodwill initially recognized are not recognized. If the deferred income tax arises from a transaction (excluding business combinations) in the initial recognition of an asset or liability, and it did not affect accounting profit or taxable income (tax loss) at the time of the transaction, nor did it give rise to equivalent taxable and deductible temporary differences, it is not recognized. Temporary differences arising from investments in subsidiaries that the Group can control the timing of reversal and are unlikely to reverse in the foreseeable future are not recognized. Deferred income tax is measured using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
- 4) Deferred tax assets are recognized to the extent that it is probable that the temporary differences will be used to offset future taxable income and the unrecognized and recognized deferred tax assets are reassessed at each balance sheet date.
- 5) Current income tax assets and liabilities are offset only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets and liabilities, and the deferred income tax assets and liabilities are levied by the same taxing authority on the same taxable entity or different taxable entities, but the entities intend to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

- 6) Deferred income tax assets are recognized for the carry forward of unused income tax credits resulting from the acquisition of equipment or technology, research and development expenditures, and equity investments, to the extent that it is probable that future taxable income will be available against which the unused income tax credits can be utilized.
- 7) Income tax expense for the interim period is calculated by applying the estimated average annual effective tax rate to the pre-tax profit or loss of the interim period, with relevant information disclosed in accordance with the aforementioned policies.

22. Capital stock

Ordinary shares are classified as equity. The net amount of the incremental costs attributable to the issuance of new shares or stock options, after deducting income tax, is presented as a deduction from equity.

23. Dividend distribution

Dividends distributed to the Company's shareholders are recognized in the financial statements when the distribution is approved at the Company's shareholders' meeting. Cash dividends are recognized as liabilities, while stock dividends are recognized as stock dividends to be distributed and are reclassified to ordinary shares on the issuance base date.

24. Revenue recognition

1) Product sales – Wholesale

- A. The Group manufactures and sells industrial motherboards and computer peripherals and other related products. Revenue from sales is recognized when control of the products is transferred to the customers, i.e., when the products are delivered to the customers, the customers have discretion over the distribution and pricing of the products, and the Group has no unfulfilled performance obligations that may affect the customers' acceptance of the products. Delivery of goods occurs when the products are shipped to the designated location, the risks of obsolescence, expiration, and loss have been transferred to the customers, and the customers accept the products according to the sales contract or objective evidence shows that all acceptance criteria have been met.
- B. Revenue from the sale of goods is recognized at the contract price less estimated sales allowances and returns. Sales allowances and returns given to customers are usually calculated based on the sales volume of orders. The Group uses the expected value method to estimate sales allowances and returns based on historical experience. The amount of revenue recognized is limited to the part that is highly probable not to be subject to significant reversal in the future and is updated at each balance sheet date. The collection terms for sales transactions are usually 60 days after the shipment date, and since the time interval between transferring the promised goods or services to the customer and the customer's payment does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

- C. The Group provides standard warranties for the products sold and is obliged to refund for product defects. A liability reserve is recognized at the time of sale.
- D. Accounts receivable are recognized when the goods are delivered to the customers, as the Group has an unconditional right to the contract price from that point, and the consideration is collectible from the customers merely with the passage of time.

2) Incremental costs of obtaining customer contracts

Although the incremental costs incurred by the Group in obtaining customer contracts are expected to be recoverable, the related contract periods are less than one year; therefore, such costs are recognized as expenses when incurred.

25. Government grants

Government grants are recognized at fair value when it is reasonably assured that the Group will comply with the conditions attached to the grants and that the grants will be received. If the nature of government grants is to compensate the expenses incurred by the Group, then the grants are recognized as current income and systematic basis over the period in which the related expenses occur. For property, plant and equipment-related grants, it is recognized as a non-current liability and recognized as current income on a straight-line basis over the estimated useful life of the related assets.

26. Operating segments

The operating segment information of the Group is reported in a manner consistent with the internal management reports provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources to operating segments and evaluating their performance, and the Group's board of directors has been identified as the chief operating decision-maker.

## **(V) Major sources of uncertainty in accounting judgments, estimates, and assumptions**

When preparing these consolidated financial statements, the management has exercised its judgment to determine the accounting policies adopted and made accounting estimates and assumptions based on the situation as of the balance sheet date and reasonable expectations of future events. Significant accounting estimates and assumptions made may differ from actual results, and historical experience and other factors will be continuously evaluated and adjusted. 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. Please refer to the following for descriptions of the uncertainties related to significant accounting judgments, estimates, and assumptions:

1. Significant judgments in adopting accounting policies

None.

2. Significant accounting estimates and assumptions

Inventory valuation

Because inventories must be valued at the lower of cost or net realizable value, the Group must apply judgment and estimation to determine the net realizable value of inventories at the balance sheet date. Due to rapid changes in technology, the Group assesses the amount of inventory at the balance sheet date due to normal wear and tear, obsolescence or unmarketable value, and writes-down the cost of inventory to net realizable value. This inventory valuation is based primarily on estimations of product demand for a specific period in the future, which could change significantly.

## (VI) Description of significant accounting items

### 1. Cash and cash equivalents

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Cash in hand and working capital	\$ 3,555	\$ 3,132	\$ 6,594
Check deposits and demand deposits	659,369	619,041	493,395
Time deposits	80,000	107,468	277,389
Call deposits	<u>169,769</u>	<u>136,278</u>	<u>-</u>
	<u>\$ 912,693</u>	<u>\$ 865,919</u>	<u>\$ 777,378</u>

- 1) The credit quality of the financial institutions the Group deals with is good, and the Group deals with multiple financial institutions to diversify credit risk, with a very low likelihood of default.
- 2) The Group has not pledged cash and cash equivalents.
- 3) The Group's fixed deposits with an original maturity of more than three months have been reclassified under "Financial assets measured at amortized cost." Please refer to Note 6 (2) for details.

### 2. Financial assets measured at amortized cost

<u>Item</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current items:			
Time deposits	<u>\$ 96,000</u>	<u>\$ 30,705</u>	<u>\$ 92,850</u>
Interest rate range	<u>5.20~5.30%</u>	<u>5.20%</u>	<u>1.04~4.35%</u>

- 1) For details of financial assets measured at amortized cost recognized in profit or loss, please refer to Note 6 (15).
- 2) Without considering the held collateral or other credit enhancements, the maximum credit risk exposure for financial assets measured at amortized cost held by the Group as of March 31, 2024, December 31, 2023, and March 31, 2023 is their carrying value.
- 3) The Group has not pledged financial assets measured at amortized cost.
- 4) For credit risk information related to financial assets measured at amortized cost, please refer to Note 12 (2). The counterparties for the Group's investment in time deposits are financial institutions with good credit quality, and the likelihood of default is very low.

3. Notes and accounts receivable (including related parties)

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Notes receivable	\$ 2,898	\$ 2,644	\$ 665
Accounts receivable	88,602	103,726	89,519
Less: Allowance for losses	( 242)	( 239)	( 503)
	<u>\$ 91,258</u>	<u>\$ 106,131</u>	<u>\$ 89,681</u>

- 1) The aging analysis of accounts and notes receivable (including related parties) is as follows:

	<u>March 31, 2024</u>		<u>December 31, 2023</u>		<u>March 31, 2023</u>	
	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>	<u>Accounts receivable</u>	<u>Notes receivable</u>
Not overdue	\$ 48,798	\$ 2,898	\$ 58,954	\$ 2,644	\$ 74,841	\$ 665
1-90 days	39,804	-	44,772	-	14,375	-
91-180 days	-	-	-	-	15	-
Over 181 days	-	-	-	-	288	-
	<u>\$ 88,602</u>	<u>\$ 2,898</u>	<u>\$ 103,726</u>	<u>\$ 2,644</u>	<u>\$ 89,519</u>	<u>\$ 665</u>

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

- 2) As of March 31, 2024, December 31, 2023, March 31, 2023, and January 1, 2023, the balances of receivables (including notes receivable) from contracts with customers of the Company were NT\$91,500, NT\$106,370, NT\$90,184, and NT\$79,444, respectively.
- 3) Without considering the held collateral or other credit enhancements, the maximum credit risk exposure for the Group's accounts receivable and notes receivable as of March 31, 2024, December 31, 2023, and March 31, 2023 is their carrying value.
- 4) For related credit risk information, please refer to Note 12 (2).



4. Inventory

	<b><u>March 31, 2024</u></b>		
	<b><u>Cost</u></b>	<b><u>Allowance for decline in value</u></b>	<b><u>Carrying amount</u></b>
Raw materials	\$ 210,036	(\$ 57,588)	\$ 152,448
Work in progress	62,657	( 7,162)	55,495
Finished goods	33,116	( 6,536)	26,580
Merchandise	<u>68,497</u>	<u>( 20,903)</u>	<u>47,594</u>
	<u>\$ 374,306</u>	<u>(\$ 92,189)</u>	<u>\$ 282,117</u>

	<b><u>December 31, 2023</u></b>		
	<b><u>Cost</u></b>	<b><u>Allowance for decline in value</u></b>	<b><u>Carrying amount</u></b>
Raw materials	\$ 205,433	(\$ 54,091)	\$ 151,342
Work in progress	91,777	( 6,933)	84,844
Finished goods	41,535	( 6,298)	35,237
Merchandise	<u>47,915</u>	<u>( 20,375)</u>	<u>27,540</u>
	<u>\$ 386,660</u>	<u>(\$ 87,697)</u>	<u>\$ 298,963</u>

	<b><u>March 31, 2023</u></b>		
	<b><u>Cost</u></b>	<b><u>Allowance for decline in value</u></b>	<b><u>Carrying amount</u></b>
Raw materials	\$ 232,497	(\$ 46,841)	\$ 185,656
Work in progress	79,314	( 8,410)	70,904
Finished goods	37,970	( 8,632)	29,338
Merchandise	<u>112,622</u>	<u>( 11,077)</u>	<u>101,545</u>
	<u>\$ 462,403</u>	<u>(\$ 74,960)</u>	<u>\$ 387,443</u>

The cost of inventory recognized as an expense in the current period by the Group:

	<b><u>From January 1 to March 31, 2024</u></b>	<b><u>From January 1 to March 31, 2023</u></b>
Cost of inventories sold	\$ 184,175	\$ 199,412
Inventory decline losses	<u>3,090</u>	<u>1,177</u>
	<u>\$ 187,265</u>	<u>\$ 200,589</u>

5. Property, plant and equipment

	<u>2024</u>						
	<u>Land</u>	<u>Buildings and structure</u>	<u>Machinery and equipment</u>	<u>Office equipment</u>	<u>Transportation equipment</u>	<u>Other equipment</u>	<u>Total</u>
January 1							
Cost	\$ 129,938	\$ 401,559	\$ 127,097	\$ 13,473	\$ 6,916	\$ 33,365	\$ 712,348
Accumulated depreciation	<u>-</u>	<u>( 162,279)</u>	<u>( 119,640)</u>	<u>( 5,571)</u>	<u>( 4,498)</u>	<u>( 28,834)</u>	<u>( 320,822)</u>
	<u>\$ 129,938</u>	<u>\$ 239,280</u>	<u>\$ 7,457</u>	<u>\$ 7,902</u>	<u>\$ 2,418</u>	<u>\$ 4,531</u>	<u>\$ 391,526</u>
January 1	\$ 129,938	\$ 239,280	\$ 7,457	\$ 7,902	\$ 2,418	\$ 4,531	\$ 391,526
Additions	-	275	537	308	-	102	1,222
Disposals - cost	-	( 22)	( 1,543)	-	-	( 1,842)	( 3,407)
Disposals - Accumulated depreciation	-	22	1,502	-	-	1,823	3,347
Depreciation expenses	-	( 2,145)	( 1,092)	( 741)	( 152)	( 382)	( 4,512)
Net exchange difference	<u>-</u>	<u>3,200</u>	<u>117</u>	<u>-</u>	<u>45</u>	<u>60</u>	<u>3,422</u>
March 31	<u>\$ 129,938</u>	<u>\$ 240,610</u>	<u>\$ 6,978</u>	<u>\$ 7,469</u>	<u>\$ 2,311</u>	<u>\$ 4,292</u>	<u>\$ 391,598</u>
March 31							
Cost	\$ 129,938	\$ 407,626	\$ 128,483	\$ 13,781	\$ 7,098	\$ 32,030	\$ 718,956
Accumulated depreciation	<u>-</u>	<u>( 167,016)</u>	<u>( 121,505)</u>	<u>( 6,312)</u>	<u>( 4,787)</u>	<u>( 27,738)</u>	<u>( 327,358)</u>
	<u>\$ 129,938</u>	<u>\$ 240,610</u>	<u>\$ 6,978</u>	<u>\$ 7,469</u>	<u>\$ 2,311</u>	<u>\$ 4,292</u>	<u>\$ 391,598</u>

				<u>2023</u>			
	<u>Land</u>	<u>Buildings and structures</u>	<u>Machinery and equipment</u>	<u>Office equipment</u>	<u>Transportation equipment</u>	<u>Other equipment</u>	<u>Total</u>
January 1							
Cost	\$ 129,938	\$ 406,393	\$ 128,204	\$ 11,707	\$ 7,104	\$ 30,760	\$ 714,106
Accumulated depreciation	<u>-</u>	<u>( 153,176)</u>	<u>( 117,143)</u>	<u>( 3,102)</u>	<u>( 4,028)</u>	<u>( 27,460)</u>	<u>( 304,909)</u>
	<u>\$ 129,938</u>	<u>\$ 253,217</u>	<u>\$ 11,061</u>	<u>\$ 8,605</u>	<u>\$ 3,076</u>	<u>\$ 3,300</u>	<u>\$ 409,197</u>
January 1	\$ 129,938	\$ 253,217	\$ 11,061	\$ 8,605	\$ 3,076	\$ 3,300	\$ 409,197
Additions	-	-	4	-	-	14	18
Disposals	-	-	( 10)	-	-	-	( 10)
Accumulated depreciation - Disposals	-	-	10	-	-	-	10
Depreciation expenses	-	( 3,992)	( 2,157)	( 585)	( 154)	( 564)	( 7,452)
Net exchange difference	-	937	61	-	16	6	1,020
March 31	<u>\$ 129,938</u>	<u>\$ 250,162</u>	<u>\$ 8,969</u>	<u>\$ 8,020</u>	<u>\$ 2,938</u>	<u>\$ 2,756</u>	<u>\$ 402,783</u>
March 31							
Cost	\$ 129,938	\$ 407,993	\$ 128,858	\$ 11,707	\$ 7,112	\$ 30,862	\$ 716,470
Accumulated depreciation	<u>-</u>	<u>( 157,831)</u>	<u>( 119,889)</u>	<u>( 3,687)</u>	<u>( 4,174)</u>	<u>( 28,106)</u>	<u>( 313,687)</u>
	<u>\$ 129,938</u>	<u>\$ 250,162</u>	<u>\$ 8,969</u>	<u>\$ 8,020</u>	<u>\$ 2,938</u>	<u>\$ 2,756</u>	<u>\$ 402,783</u>

- 1) The major components of the group's buildings and structures include buildings and surrounding renovation projects, which are depreciated over 40 years and 5 to 10 years, respectively.
- 2) There were no capitalization of borrowing costs related to the above-mentioned properties, plants, and equipment from January 1 to March 31, 2024 and 2023.
- 3) For information on properties, plants, and equipment provided as collateral, please refer to Note 8.

6. Lease transactions - Lessee

- 1) The assets leased by the Group include land use rights and buildings, with lease contract terms usually ranging from 1 to 43 years. Lease contracts are individually negotiated and contain various terms and conditions. Other than not being allowed to use the leased assets as collateral for borrowing, there are no additional restrictions.
- 2) Some of the leased properties by the Group have lease terms not exceeding 12 months, and the leased low-value assets are office equipment.
- 3) The carrying amount and recognized depreciation expense information of right-of-use assets are as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>	<u>Carrying amount</u>
Land use rights	\$ 22,840	\$ 22,560	\$ 23,572
Buildings	33,292	35,591	25,267
Transportation equipment	3,293	-	-
	<u>\$ 59,425</u>	<u>\$ 58,151</u>	<u>\$ 48,839</u>

	<u>From January 1 to</u> <u>March 31, 2024</u>	<u>From January 1 to</u> <u>March 31, 2023</u>
	<u>Depreciation expenses</u>	<u>Depreciation expenses</u>
Land use rights	\$ 153	\$ 156
Buildings	3,101	1,894
Transportation equipment	194	-
	<u>\$ 3,448</u>	<u>\$ 2,050</u>

- 4) The Group's additions to right-of-use assets from January 1 to March 31, 2024 and 2023 were NT\$13,487 and NT\$0, respectively.
- 5) Profit and loss items related to lease contracts are as follows:

	<u>From January 1 to</u> <u>March 31, 2024</u>	<u>From January 1 to</u> <u>March 31, 2023</u>
<u>Items affecting current profit and loss</u>		
Interest expense on lease liabilities	\$ 143	\$ 28
Expenses related to short-term lease contracts	106	26
Expenses related to low-value asset leases	23	19
Variable lease payment expenses	682	660

- 6) The total cash outflows from the Group's leases from January 1 to March 31, 2024 and 2023 were NT\$3,409 and NT\$2,011, respectively.

7. Other payables

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Salaries payable	\$ 46,420	\$ 53,943	\$ 76,119
Employee and director compensation payable	22,500	18,600	34,750
Other	<u>23,040</u>	<u>22,546</u>	<u>20,139</u>
	<u>\$ 91,960</u>	<u>\$ 95,089</u>	<u>\$ 131,008</u>

8. Pension

- 1) A. In accordance with the Labor Standards Act, the Company has a defined benefit pension plan applicable to all formal employees' service years prior to the implementation of the Labor Pension Act on July 1, 2005, and the subsequent service years of employees who choose to continue applying the Labor Standards Act after the implementation of the Labor Pension Act. The pension payment for employees who meet the retirement conditions is calculated based on their years of service and the average salary of the six months prior to retirement. For each year of service up to (and including) 15 years, two base amounts are given; for each year of service exceeding 15 years, one base amount is given, with a maximum cumulative limit of 45 base amounts. The Company contributes 5% of the total salary as a pension fund every month, which is deposited in a special account under the name of the Supervisory Committee of Business Entities' Labor Retirement Reserve at the Bank of Taiwan. In addition, the Company estimates the balance of the labor pension reserve fund's special account before the end of each year; if the balance is insufficient to pay the estimated pension amounts for workers who meet the retirement conditions in the following year, the Company will contribute the difference by the end of March in the next year.
  - B. From January 1 to March 31, 2024 and 2023, the Company recognized pension costs of NT\$0 and NT\$57, respectively, according to the above-mentioned pension plan.
  - C. The Group expects to contribute NT\$0 to the pension plan in 2024.
- 2) A. Since July 1, 2005, the Company has established a defined contribution pension plan in accordance with the "Labor Pension Act", which is applicable to the Company's employees holding ROC citizenship. The Company contributes 6% of the employee's salary to the employee's personal account of the Bureau of Labor Insurance each month in accordance with the portion of the employee's pension plan defined in the "Labor Pension Act". Employees' pensions are paid on the basis of their individual pension accounts and the amount of accumulated earnings is received as a monthly pension payment or as a lump-sum pension payment.

- B. Mainland subsidiaries allocate pension insurance premiums based on a certain percentage of the total local employee salaries each month according to the pension insurance system regulations of the People's Republic of China. The allocation rate was approximately 16% from January 1 to March 31, 2024 and 2023. The pensions of each employee are managed and arranged by the government, and the Group has no further obligations beyond the monthly allocation.
- C. From January 1 to March 31, 2024 and 2023, the Group recognized pension costs of NT\$2,757 and NT\$2,249, respectively, according to the above-mentioned pension plan.

9. Provisions for liabilities

The Group's warranty liability reserve is primarily related to the sales of computer-related products, and the warranty liability reserve is estimated based on the historical warranty data of these products, with the expectation of payments within 1 to 2 years after the sale of the product. The change in warranty liability during the financial reporting period is as follows:

	<u>2024</u>	<u>2023</u>
Balance on January 1	\$ 12,884	\$ 16,870
Current decrease in provisions for liabilities	( 952)	( 530)
Balance as of March 31	<u>\$ 11,932</u>	<u>\$ 16,340</u>

Analysis of provisions for liabilities is as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current	<u>\$ 6,411</u>	<u>\$ 7,782</u>	<u>\$ 9,927</u>
Non-current	<u>\$ 5,521</u>	<u>\$ 5,102</u>	<u>\$ 6,413</u>

10. Capital stock

- 1) As of March 31, 2024, the Company's authorized share capital is NT\$2,000,000, divided into 200,000 thousand shares, with a paid-in capital of NT\$749,833 and a par value of 10 dollars per share. All issued shares of the Company have been fully paid.

The adjustments to the outstanding number of ordinary shares at the beginning and end of the period are as follows (Unit: in thousand shares):

	<u>2024</u>	<u>2023</u>
January 1 (i.e. March 31)	<u>74,983</u>	<u>74,983</u>
2) To adjust the company's capital structure, the proposal for a cash capital reduction and refund of share capital was resolved by the Board of Directors on February 27, 2024. The capital reduction amount is \$187,458, resulting in the elimination of 18,745 thousand shares, representing a reduction ratio of 25%. The aforementioned capital reduction proposal has not yet been approved by the Shareholders' Meeting.		

11. Capital surplus

According to the Company Act, the excess amount received from issuing shares above their par value and the capital reserves received from donations can be used to distribute new shares or cash to shareholders in proportion to their original shares when there are no accumulated losses in the Company. In addition, according to the relevant provisions of the Securities and Exchange Act, when allocating the above-mentioned capital reserves to the capital, the annual limit shall not exceed ten percent of the total paid-in capital. The Company shall not use capital reserves to supplement capital deficits unless there is a shortfall after using earnings reserves to cover capital deficits.

12. Retained earnings

- 1) According to the Company's Articles of Incorporation, 2% to 15% of the pre-tax, pre-employee, and director compensation profits for the year shall be allocated for employee compensation, and not more than 3% for director compensation. However, if the Company has accumulated losses, an amount shall be reserved for covering them first. If there is a profit for the year, the board of directors shall propose a profit distribution plan to be approved by the shareholders' meeting.
- 2) The Company's dividend policy is to adapt to the overall environment and industry growth, taking into account long-term financial planning and optimization of shareholder value. At least 50% of the current after-tax net profit minus the amount to cover losses, legal reserve, and special earnings reserve shall be allocated for distribution by the Company. The cash dividend portion distributed to shareholders shall not be less than 20% of the total shareholder dividend amount.
- 3) Except for covering the Company's losses and issuing new shares or cash in proportion to the original shares held by shareholders, legal reserves shall not be used. However, when issuing new shares or cash, it is limited to the portion of the reserve exceeding 25% of the paid-in capital.
- 4) When the Company distributes profits, it must first allocate special earnings reserves according to the debit balance of other equity items on the balance sheet date of the current year as required by law before distributing them. When the debit balance of other equity items is reversed, the reversed amount can be included in distributable profits.

- 5) The Company's 2023 profit distribution plan approved by the Board of Directors on February 27, 2024 and 2022 profit distribution plan approved by the shareholders' meeting on June 27, 2023, are as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>Dividend per share (NTD)</u>	<u>Amount</u>	<u>Dividend per share (NTD)</u>
Legal reserve allocation	\$ 17,275		\$ 27,710	
Appropriation (reversal) of special reserve	8,035		( 42,463)	
Cash dividend	149,967	\$ 2.0	187,458	\$ 2.5

The 2023 profit distribution plan of the Company has not been approved by the shareholders' meeting.

- 6) For information on employee and director compensation, please refer to Note 6 (19).
13. Other equity items

	<u>2024</u>		<u>2023</u>	
	<u>Foreign currency translation</u>		<u>Foreign currency translation</u>	
January 1	( \$	17,813)	( \$	9,778)
Foreign exchange differences:				
- Group		21,203	(	2,076)
- Tax amount of the Group	(	4,240)		415
March 31	( \$	850)	( \$	11,439)

14. Operating revenue

	<u>From January 1 to March 31, 2024</u>		<u>From January 1 to March 31, 2023</u>	
Customer contract revenue	\$	315,672	\$	301,186

- 1) The Group's revenue comes from the transfer of goods at a specific point in time, with the main product lines being industrial motherboards and computer peripherals. For related disclosures, please refer to Note 14 (3).
- 2) Contract liabilities

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>	<u>January 1, 2023</u>
Contract liabilities:				
Contract liabilities - advance payments	\$ 35,887	\$ 28,065	\$ 37,046	\$ 27,961



3) Beginning contract liabilities recognized as revenue during the period

	<u>From January 1 to March 31, 2024</u>	<u>From January 1 to March 31, 2023</u>
Contract liability beginning balance recognized as revenue during the period		
Advance payments	\$ 17,978	\$ 18,748

15. Interest income

	<u>From January 1 to March 31, 2024</u>	<u>From January 1 to March 31, 2023</u>
Interest income:		
Bank deposit interest	\$ 1,841	\$ 488
Interest income on financial assets measured at amortized cost		
Interest	1,619	1,062
Other interest income	3	-
	<u>\$ 3,463</u>	<u>\$ 1,550</u>

16. Other income

	<u>From January 1 to March 31, 2024</u>	<u>From January 1 to March 31, 2023</u>
Government grants	\$ 3,288	\$ 88
Other income - others	1,549	1,508
	<u>\$ 4,837</u>	<u>\$ 1,596</u>

17. Other gains and losses

	<u>From January 1 to March 31, 2024</u>	<u>From January 1 to March 31, 2023</u>
Net foreign exchange gains	\$ 15,601	\$ 1,187
Loss on disposal of property, plant and equipment	( 60)	-
Other losses	-	( 132)
	<u>\$ 15,541</u>	<u>\$ 1,055</u>

18. Additional information on the nature of expenses

	<u>From January 1 to</u> <u>March 31, 2024</u>	<u>From January 1 to</u> <u>March 31, 2023</u>
Employee benefit expenses	\$ 68,447	\$ 63,072
Depreciation expenses for property, plant, and equipment	4,512	7,452
Depreciation expense of right-of-use assets	3,448	2,050
Amortization expenses for intangible assets	<u>221</u>	<u>209</u>
	<u>\$ 76,628</u>	<u>\$ 72,783</u>

19. Employee benefit expenses

	<u>From January 1 to</u> <u>March 31, 2024</u>	<u>From January 1 to</u> <u>March 31, 2023</u>
Salary expenses	\$ 58,096	\$ 55,514
Labor and health insurance expenses	6,035	4,636
Pension expenses	2,757	2,306
Other personnel expenses	<u>1,559</u>	<u>616</u>
	<u>\$ 68,447</u>	<u>\$ 63,072</u>

- 1) According to the Company's Articles of Incorporation, the Company allocates 2% to 15% of the pre-tax and pre-employee and director compensation profits for employee compensation, and no more than 3% for director compensation.
- 2) The estimated employee compensation amounts for the Company from January 1 to March 31, 2024 and 2023 were NT\$3,000 and NT\$3,000, respectively; the estimated director compensation amounts were NT\$900 and NT\$750, respectively, which were recorded as salary expenses.

From January 1 to March 31, 2024, employee compensation and director compensation were estimated at 4.37% and 1.32%, respectively, based on the profit situation up to that day.

The employee compensation of NT\$15,000 and director compensation of NT\$3,600 for 2023 were resolved by the Board of Directors, which were consistent with the amounts recognized in the 2023 financial statements.

Information on employee and director compensation approved by the board of directors of the Company can be found on the Market Observation Post System.

20. Income tax

1) Income tax expense

A. Components of income tax expenses:

	<u>From January 1 to</u> <u>March 31, 2024</u>	<u>From January 1 to</u> <u>March 31, 2023</u>
Current income tax:		
Income tax on current income	\$ 15,284	\$ 8,124
Total current income tax	<u>15,284</u>	<u>8,124</u>
Deferred income tax:		
Temporary differences originating and reversing	<u>1,849</u>	<u>3,612</u>
Total deferred income tax	<u>1,849</u>	<u>3,612</u>
Income tax expense	<u>\$ 17,133</u>	<u>\$ 11,736</u>

B. Income tax amounts related to other comprehensive income:

	<u>From January 1 to</u> <u>March 31, 2024</u>	<u>From January 1 to</u> <u>March 31, 2023</u>
Foreign operation translation differences	<u>\$ 4,240</u>	<u>(\$ 415)</u>

- 2) The Company's business income tax has been assessed by the tax authority up to the fiscal year of 2021.

21. Earnings per share

<b><u>From January 1 to March 31, 2024</u></b>			
	<b><u>After-tax amount</u></b>	<b><u>Weighted average outstanding Shares (in thousands)</u></b>	<b><u>Earnings per share (NT\$)</u></b>
<b><u>Basic earnings per share</u></b>			
Net income attributable to the parent company for the current period	\$ 51,611	74,983	\$ 0.69
<b><u>Diluted earnings per share</u></b>			
Net income attributable to the parent company for the current period	\$ 51,611	74,983	
The effect of potential ordinary shares with dilutive effect			
Employee compensation	-	278	
Current period net income attributable to the parent company plus the effect of potential ordinary shares	\$ 51,611	75,261	\$ 0.69

<b><u>From January 1 to March 31, 2023</u></b>			
	<b><u>After-tax amount</u></b>	<b><u>Weighted average outstanding shares (in thousands)</u></b>	<b><u>Earnings per share (NT\$)</u></b>
<b><u>Basic earnings per share</u></b>			
Net income attributable to the parent company for the current period	\$ 18,178	74,983	\$ 0.24
<b><u>Diluted earnings per share</u></b>			
Net income attributable to the parent company for the current period	\$ 18,178	74,983	
The effect of potential ordinary shares with dilutive effect			
Employee compensation	-	807	
Current period net income attributable to the parent company plus the effect of potential ordinary shares	\$ 18,178	75,790	\$ 0.24

22. Changes in liabilities arising from financing activities

	<u>2024</u>		<u>2023</u>
	<u>Lease liabilities</u>		<u>Lease liabilities</u>
January 1	\$ 36,617	\$	28,751
Changes in cash flows from financing	( 2,455)	(	1,278)
Interest expense payments (Note)	( 143)	(	28)
Effects of exchange rate changes	988	(	1,151)
Other non-cash changes	3,487		-
March 31	<u>\$ 38,494</u>	\$	<u>26,294</u>

Note: The table sets forth cash flows from operating activities.

## (VII) Related party transactions

### 1. Parent company and ultimate controller

The Company is controlled by AAEON Technology Inc., which owns 35.27% of the Company's shares and obtained more than half of the seats in the re-election of the Company's directors in June 2023, making it the single largest shareholder of the Company, with the ability to substantially control relevant activities. The Company's parent company is AAEON Technology Inc. and the ultimate controller is ASUSTEK Computer Inc.

### 2. Names and relationship of related parties

<u>Name of related party</u>	<u>Relationship with the Group</u>
Wintech Microelectronics Co., Ltd.	Associate
Morrihan International Corp.	Associate
ASUS GLOBAL PTE. LTD.	Fellow subsidiary - same ultimate parent company
AAEON Technology Inc.	The Company's parent company (Note)
AAEON Technology (Suzhou) Inc.	Fellow subsidiary - same parent company (Note)
Onyx Healthcare Inc.	Fellow subsidiary - same parent company (Note)
AAEON Technology (Europe) B.V.	Fellow subsidiary - same parent company (Note)
EverFocus Electronics Corp.	Other related party
Portwell, Inc.	Associate

Note: On April 28, 2023, AAEON Technology Inc. held 35.27% of the Company's shares, making it the single largest shareholder of the Company. AAEON Technology Inc. controls half of the Company's voting rights at the shareholders' meeting, with the ability to substantially control relevant activities. Therefore, it became the Company's parent company after obtaining control since the date.

### 3. Significant transactions between related parties

#### 1) Operating revenue

	<u>From January 1 to</u> <u>March 31, 2024</u>	
Goods sales:		
Parent company	\$	216
Fellow subsidiary		<u>2,770</u>
	\$	<u><u>2,986</u></u>

Transaction prices and payment terms for goods sales have no significant differences with non-related parties.

2) Purchases

**From January 1 to March 31, 2024**

Goods purchases:

Parent company	\$	5,240
Fellow subsidiary		2,125
Associate		3,935
	\$	<u>11,300</u>

Except for cases where there are no comparable transactions and the transaction terms are determined through negotiation between the parties, the Group purchased the rest of the goods from the above related parties at current prices. There were no significant differences in the Group's payment terms for general suppliers and related parties.

3) Accounts payable

**March 31, 2024**      **December 31, 2023**

AAEON Technology Inc.	\$	5,761	\$	647
Wintech Microelectronics Co., Ltd.		3,979		2,159
Morrihan International Corp.		980		966
AAEON Technology (Suzhou) Inc.		15		-
	\$	<u>10,735</u>	\$	<u>3,772</u>

4) Accounts receivable

**March 31, 2024**      **December 31, 2023**

AAEON Technology Inc.	\$	224	\$	20
AAEON Technology (Suzhou) Inc.		2,271		-
Onyx Healthcare Inc.		-		215
AAEON Technology (Europe) B.V.		9		-
	\$	<u>2,504</u>	\$	<u>235</u>

4. Key management personnel compensation information

**From January 1 to**  
**March 31, 2024**

**From January 1 to**  
**March 31, 2023**

Short-term employee benefits	\$	2,410	\$	2,382
Post-retirement benefits		117		54
	\$	<u>2,527</u>	\$	<u>2,436</u>

## **(VIII) Pledged assets**

Details of the Company's assets provided as collateral are as follows:

<u>Asset item</u>	<u>Carrying value</u>			<u>Collateral purpose</u>
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>	
Land	\$ 71,116	\$ 71,116	\$ 71,116	Bank loans
Buildings and structures	<u>45,404</u>	<u>45,846</u>	<u>47,174</u>	Bank loans
	<u>\$ 116,520</u>	<u>\$ 116,962</u>	<u>\$ 118,290</u>	

## **(IX) Significant contingent liabilities and unrecognized contractual commitments**

1. Contingent liabilities

None.

2. Commitments

As of March 31, 2024, December 31, 2023, and March 31, 2023, the Group had issued bank guarantees amounting to NT\$917,305, NT\$917,305 and NT\$912,115, respectively, in response to borrowing needs.

## **(X) Significant disaster losses**

None.

## **(XI) Significant post-balance sheet events**

None.



## (XII) Other

### 1. Capital management

The Group's capital management objective is to ensure the Group's ongoing operations, maintain the optimal capital structure to reduce the cost of capital, and provide returns to shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

### 2. Financial instruments

#### 1) Types of financial instruments

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
<u>Financial assets</u>			
Financial assets measured at amortized cost	\$ 1,106,035	\$ 1,006,083	\$ 964,111
	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
<u>Financial liabilities</u>			
Financial liabilities measured at amortized cost	\$ 241,890	\$ 253,511	\$ 236,837
Lease liabilities	\$ 38,494	\$ 36,617	\$ 26,294

Note: Financial assets measured at amortized cost include cash and cash equivalents, accounts and notes receivable (including related parties), other receivables, refundable deposits, and term deposits not meeting the criteria of cash equivalents; financial liabilities measured at amortized cost include accounts and notes payable (including related parties), other payables, and refundable deposits.

#### 2) Risk management policy

- A. The Group's daily operations are subject to various financial risks, including market risk (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk.
- B. The Group's finance department is responsible for risk management in accordance with policies approved by the Board of Directors. The finance department works closely with various operating units within the group to identify, assess, and mitigate financial risks. The Board of Directors has established written principles for overall risk management and provides written policies for specific areas and issues, such as exchange rate risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of surplus liquid funds.

3) Nature and extent of significant financial risks

A. Market risk

Exchange rate risk

- a. The Group operates internationally and is therefore exposed to exchange rate risks arising from transactions denominated in currencies other than the Company and its subsidiaries' functional currency, mainly in USD and RMB. Related exchange rate risks arise from future commercial transactions and recognized assets and liabilities.
- b. The Group's management has established a policy requiring each company within the group to manage exchange rate risk relative to its functional currency. Each company should hedge its overall exchange rate risk through the group's finance department.
- c. The Group's business involves several non-functional currencies (the functional currency of the Company and some subsidiaries is the New Taiwan Dollar, and the functional currency of some subsidiaries is the US Dollar, Euro, or Renminbi), so it is subject to the impact of exchange rate fluctuations. The information on foreign currency assets and liabilities with significant exchange rate fluctuation impact is as follows:

		<u>March 31, 2024</u>		<u>Carrying</u>
		<u>Foreign currency</u>	<u>Exchange</u>	<u>amount</u>
		<u>(in thousands)</u>	<u>rate</u>	<u>(NT\$1,000)</u>
<b>(Foreign currency: functional currency)</b>				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD:NTD	\$	11,114	32.00	\$ 355,648
EUR:NTD		929	34.46	32,014
HKD:NTD		633	4.09	2,589
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD:NTD	\$	2,844	32.00	\$ 91,008
RMB:NTD		1,323	4.41	5,834

				<b><u>December 31, 2023</u></b>		
				<b><u>Foreign</u></b>		<b><u>Carrying</u></b>
				<b><u>currency</u></b>	<b><u>Exchange</u></b>	<b><u>amount</u></b>
				<b><u>(in thousands)</u></b>	<b><u>rate</u></b>	<b><u>(NT\$1,000)</u></b>
<b>(Foreign currency: functional currency)</b>						
<u>Financial assets</u>						
<u>Monetary items</u>						
	USD:NTD	\$	11,320		30.71	\$ 347,581
	EUR:NTD		926		33.98	31,467
	RMB:NTD		600		4.33	2,596
	HKD:NTD		995		3.93	3,911
<u>Financial liabilities</u>						
<u>Monetary items</u>						
	USD:NTD	\$	2,839		30.71	\$ 87,171
	RMB:NTD		1,406		4.33	6,083

				<b><u>March 31, 2023</u></b>		
				<b><u>Foreign</u></b>		<b><u>Carrying</u></b>
				<b><u>currency</u></b>	<b><u>Exchange</u></b>	<b><u>amount</u></b>
				<b><u>(in thousands)</u></b>	<b><u>rate</u></b>	<b><u>(NT\$1,000)</u></b>
<b>(Foreign currency: functional currency)</b>						
<u>Financial assets</u>						
<u>Monetary items</u>						
	USD:NTD	\$	7,811		30.45	\$ 237,845
	EUR:NTD		407		33.15	13,492
	RMB:NTD		1,492		4.43	6,610
	HKD:NTD		755		3.88	2,929
<u>Financial liabilities</u>						
<u>Monetary items</u>						
	USD:NTD	\$	1,859		30.45	\$ 56,607
	RMB:NTD		536		4.43	2,374

- d. The total amount of all exchange gains (including realized and unrealized) recognized from January 1 to March 31, 2024 and 2023 due to significant currency fluctuations in the Group's major monetary items were NT\$15,601 and NT\$1,187, respectively.

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

**From January 1 to March 31, 2024**

**Sensitivity analysis**

	<b><u>Change range</u></b>	<b><u>Impact on profit or loss</u></b>	<b><u>Impact on other comprehensive income</u></b>
<b>(Foreign currency: functional currency)</b>			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 2,845	\$ -
EUR:NTD	1%	256	-
HKD:NTD	1%	21	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 728	\$ -
RMB:NTD	1%	47	-

**From January 1 to March 31, 2023**

**Sensitivity analysis**

	<b><u>Change range</u></b>	<b><u>Impact on profit or loss</u></b>	<b><u>Impact on other comprehensive income</u></b>
<b>(Foreign currency: functional currency)</b>			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 1,903	\$ -
EUR:NTD	1%	108	-
RMB:NTD	1%	53	-
HKD:NTD	1%	23	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 453	\$ -
CNY:USD	1%	19	-

### Price risk

The Group's equity instruments exposed to price risk are financial assets measured at fair value through other comprehensive income. To manage the price risk of equity instrument investments, the Group diversifies its investment portfolio based on the limits set by the Group.

#### B. Credit risk

- a. The Group's credit risk is the risk of financial loss to the Group due to the failure of customers or counterparties to financial instruments to fulfill their contractual obligations, mainly arising from counterparties' inability to settle accounts receivable according to payment terms and contract cash flows classified as measured at amortized cost.
- b. The Group establishes credit risk management from a group perspective. According to the internal credit policy, each operating entity within the group must conduct management and credit risk analysis for each new customer before setting payment and delivery terms and conditions. Internal risk control is achieved by considering the customer's financial condition, past experience, and other factors to assess the customer's credit quality.
- c. The Group adopts the assumption provided by IFRS 9 that when contractual payments are 90 days overdue in accordance with the contractual payment terms, it is considered a default.
- d. The Group adopts the following assumptions provided by IFRS 9 as the basis for determining whether the credit risk of financial instruments has increased significantly since the initial recognition:  
  
When contract payments are more than 30 days overdue according to the agreed payment terms, it is considered that the credit risk of financial assets has increased significantly since the initial recognition.
- e. The Group groups accounts receivable and notes receivable from customers according to customer ratings and customer type characteristics and uses a simplified approach based on a provision matrix to estimate expected credit losses.
- f. After the collection process, the Group writes off amounts of financial assets that cannot reasonably be expected to be recovered; however, the Group will continue to pursue legal proceedings to preserve its rights to claims. The claims written off by the Group and still subject to collection activities as of March 31, 2024, December 31, 2023, and March 31, 2023 were both NT\$0.

- g. The Group incorporates the National Development Council's economic indicator inquiry system to adjust the loss rates established by specific historical and current information for forward-looking considerations, estimating the allowance for doubtful accounts for notes and accounts receivable (including related parties). The provision matrix as of March 31, 2024, December 31, 2023, and March 31, 2023 is as follows:

	<u>Not overdue</u>	<u>Overdue 1-90 days</u>	<u>Overdue 91-180 days</u>
<b><u>March 31, 2024</u></b>			
Expected loss rate	0.03%~0.05%	0.03%~0.05%	-
Total carrying amount	\$ 51,696	\$ 39,804	\$ -
Allowance for loss	228	14	-

	<u>Overdue 181-270 days</u>	<u>More than 271 days</u>	<u>Total</u>
<b><u>March 31, 2024</u></b>			
Expected loss rate	-	-	-
Total carrying amount	\$ -	\$ -	\$ 91,500
Allowance for loss	-	-	242

	<u>Not overdue</u>	<u>Overdue 1-90 days</u>	<u>Overdue 91-180 days</u>
<b><u>December 31, 2023</u></b>			
Expected loss rate	0.03%~0.05%	0.03%~0.05%	-
Total carrying amount	\$ 61,598	\$ 44,772	\$ -
Allowance for loss	218	21	-

	<u>Overdue 181-270 days</u>	<u>More than 271 days</u>	<u>Total</u>
<b><u>December 31, 2023</u></b>			
Expected loss rate	-	-	-
Total carrying amount	\$ -	\$ -	\$ 106,370
Allowance for loss	-	-	239

	<u>Not overdue</u>	<u>Overdue 1-90 days</u>	<u>Overdue 91-180 days</u>
<b><u>March 31, 2023</u></b>			
Expected loss rate	0.03%~0.31%	0.03%~0.06%	0.00%~0.06%
Total carrying amount	\$ 75,506	\$ 14,375	\$ 15
Allowance for loss	241	4	-

	<u>Overdue 181-270 days</u>	<u>More than 271 days</u>	<u>Total</u>
<b><u>March 31, 2023</u></b>			
Expected loss rate	0.03%~90.82%	100%	
Total carrying amount	\$ 222	\$ 66	\$ 90,184
Allowance for loss	192	66	503

- h. The Group's changes in allowance for doubtful accounts of accounts receivable using the simplified approach are as follows:

	<b><u>2024</u></b>
	<b><u>Accounts receivable</u></b>
January 1	\$ 239
Appropriation of impairment loss	<u>3</u>
March 31	<u>\$ 242</u>

	<b><u>2023</u></b>
	<b><u>Accounts receivable</u></b>
January 1	\$ 1,845
Reversal of impairment loss	( 1,327)
Exchange rate impact	<u>( 15)</u>
March 31	<u>\$ 503</u>

C. Liquidity risk

- a. Cash flow forecasts are performed by each operating entity within the group and are consolidated by the group's finance department. The group finance department monitors the group's forecasted liquidity needs to ensure that there is sufficient funding to support operational requirements and maintains sufficient unused borrowing commitments at all times so that the group does not violate relevant borrowing limits or terms. These forecasts consider the group's debt financing plans, compliance with debt terms, and adherence to financial ratio targets in the internal balance sheet.

b. The Company's undrawn borrowing facilities are detailed as follows:

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Floating interest rate			
Due within one year	\$ 235,000	\$ 235,000	\$ 235,000
Fixed interest rate			
Due within one year	<u>435,000</u>	<u>585,000</u>	<u>585,000</u>
	<u>\$ 670,000</u>	<u>\$ 820,000</u>	<u>\$ 820,000</u>

c. The table below shows financial liabilities with maturities of more than one year, and the disclosed contractual cash flow amounts are undiscounted.

<b>March 31, 2024</b>	<u>Within 1</u> <u>year</u>	<u>1 to 2</u> <u>years</u>	<u>2 to 5</u> <u>years</u>	<u>Over 5</u> <u>years</u>
<u>Non-derivative</u> <u>financial liabilities:</u>				
Lease liabilities	\$ 14,942	\$ 13,774	\$ 10,798	\$ -
<b>December 31, 2023</b>	<u>Within 1</u> <u>year</u>	<u>1 to 2</u> <u>years</u>	<u>2 to 5</u> <u>years</u>	<u>Over 5</u> <u>years</u>
<u>Non-derivative</u> <u>financial liabilities:</u>				
Lease liabilities	\$ 12,184	\$ 12,614	\$ 13,247	\$ -
<b>March 31, 2023</b>	<u>Within 1</u> <u>year</u>	<u>1 to 2</u> <u>years</u>	<u>2 to 5</u> <u>years</u>	<u>Over 5</u> <u>years</u>
<u>Non-derivative</u> <u>financial liabilities:</u>				
Lease liabilities	\$ 7,894	\$ 6,974	\$ 12,476	\$ -

In addition to the above, all non-derivative financial liabilities (including notes payable, accounts payable, and other payables) of the Group as of March 31, 2024, December 31, 2023, and March 31, 2023, are due within one year.



### **(XIII) Disclosure contained in notes**

#### 1. Information on significant transactions

(The following transactions between the Company and its consolidated subsidiaries have been eliminated in the preparation of the consolidated financial statements, and the information below is for reference only)

- 1) Lending funds to others: None.
- 2) Endorsements and guarantees for others: None.
- 3) Holding marketable securities at the end of the period (excluding investments in subsidiaries, associates, and joint ventures): None.
- 4) Accumulative purchase or sale of the same marketable security amounting to NT\$300 million or more or 20% or more of the paid-in capital: None.
- 5) Acquisition of real estate amounting to NT\$300 million or more or 20% or more of the paid-in capital: None.
- 6) Disposal of real estate amounting to NT\$300 million or more or 20% or more of the paid-in capital: None.
- 7) Purchases and sales with related parties amounting to NT\$100 million or more or 20% or more of the paid-in capital: Please refer to Table 1.
- 8) Receivables from related parties amounting to NT\$100 million or more or 20% or more of the paid-in capital: None.
- 9) Engaging in derivative financial product transactions: None.
- 10) Business relationships and significant transaction details and amounts between the parent company, subsidiaries, and various subsidiaries: Please refer to Table 2.

#### 2. Information on investments in other enterprises

Names and locations of investee companies and other relevant information (excluding investee companies in Mainland China): Please refer to Table 3.

#### 3. Information on investments in China

- 1) Basic information: Please refer to Table 4.
- 2) Significant transactions related to investee companies in Mainland China, directly or indirectly through third-region enterprises: Please refer to Table 5.

#### 4. Major shareholder information

Major shareholder information: Please refer to Table 6.

## (XIV) Operating segment information

### 1. General information

The Group's management has identified reportable segments based on the reporting information used by the operating decision-makers in making decisions, in accordance with the board of directors as the operating decision-makers.

The Group operates its business from a product perspective, currently focusing on the sales of industrial motherboards. The disclosed operating segment (IPC segment) mainly generates revenue from the manufacturing and sales of industrial motherboards. The segment's business includes other services, but since they are not included in the reporting for operating decision-makers, they are not part of the reportable segments. Their related operating results are combined and expressed in "Other Operating Segments".

There have been no significant changes in the Group's composition, segment division basis, and segment information measurement basis during this period.

### 2. Measurement of segment information

The Group's operating segment profit and loss is measured by pre-tax operating profit or loss and serves as the basis for performance evaluation. The accounting policies of the operating segments are consistent with the significant accounting policies summarized in Note 4.

### 3. Information on segment profit and loss, assets, and liabilities

The reportable segment information provided to the main operating decision-makers is as follows:

#### 1) From January 1 to March 31, 2024

	<u>IPC</u>	<u>Other</u>	<u>Total</u>
External revenue net amount	\$ 278,198	\$ 37,474	\$ 315,672
Internal segment revenue	-	-	-
Segment revenue	<u>\$ 278,198</u>	<u>\$ 37,474</u>	<u>\$ 315,672</u>
Segment profit or loss (pre-tax)	<u>\$ 65,176</u>	<u>\$ 3,568</u>	<u>\$ 68,744</u>

#### 2) From January 1 to March 31, 2023

	<u>IPC</u>	<u>Other</u>	<u>Total</u>
External revenue net amount	\$ 248,356	\$ 52,830	\$ 301,186
Internal segment revenue	-	-	-
Segment revenue	<u>\$ 248,356</u>	<u>\$ 52,830</u>	<u>\$ 301,186</u>
Segment profit or loss (pre-tax)	<u>\$ 26,090</u>	<u>\$ 3,824</u>	<u>\$ 29,914</u>

### 4. Adjustment information for segment profit and loss

The Group's external revenue reported to the main operating decision-maker is measured on a consistent basis with the revenue reported in the statement of comprehensive income. There were no differences between reportable segment revenue with enterprise revenue and reportable segment profit and loss with pre-tax profit or loss from continuing operations for the period. Therefore, no adjustments are required.

**Jetway Information Co., Ltd. and its Subsidiaries**  
**Purchases and sales with related parties amounting to NTS\$100 million or more or 20% or more of the paid-in capital**  
**From January 1 to March 31, 2024**

**Table 1**

Unit: NTD in thousands  
(except stated otherwise)

Buyer/Seller	Name of Counterparty	Relationship	Transaction Details				Payment Terms and Reason for Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note
			Purchase / Sales	Amount	Ratio to Total Purchase (Sales)	Credit Terms	Unit Price	Credit Terms	Balance	Ratio to Total Notes/Accounts Receivable (Payable)	
Jetway Information Co., Ltd.	JET WAY COMPUTER CORP. (United States)	The subsidiaries of the Company	Sales	\$ 103,950	32.93%	30-60 days	None	None	\$ 78,339	85.84%	

Note 1: If the terms of transactions with related parties differ from those of general transactions, the differences and reasons should be explained in the price and credit terms sections.

**Jetway Information Co., Ltd. and its Subsidiaries**

**Business relationships and significant transaction details and amounts between the parent company, subsidiaries, and various subsidiaries**

**From January 1 to March 31, 2024**

**Table 2**

Unit: NTD in thousands  
(except stated otherwise)

No. (Note 1)	Name of the Counterparty	Transaction Counterparty	Relationship with the Counterparty (Note 2)	Transactions Details			Percentage of consolidated total revenue or total assets (Note 3)
				Financial Statement Accounts	Amount	Transaction Terms	
0	Jetway Information Co., Ltd.	JET WAY COMPUTER CORP. (United States)	1	Sales revenue	\$ 103,950	The sales price is the same as that offered to general customers	32.93
				Accounts receivable	78,339	The collection period is the same as that offered to general customers	4.12
0	Jetway Information Co., Ltd.	JET WAY COMPUTER B.V. (Netherlands)	1	Sales revenue	26,452	The sales price is the same as that offered to general customers	8.38
				Advance payments	23,114	-	1.22
0	Jetway Information Co., Ltd.	FUJIAN CANDID INTERNATIONAL CO., LTD.	1	Accounts payable	20,329	The payment term is the same as that offered to general customers	1.07
1	FUJIAN CANDID INTERNATIONAL CO., LTD.	Jetway Information Co., Ltd.	2	Sales revenue ( including processing)	61,026	Note 5	19.33

Note 1: Information on business transactions between the parent company and its subsidiaries should be noted separately in the Number column, stated as follows:

- (1) The parent company: 0.
- (2) The subsidiaries: 1 onward.

Note 2: There are three types of relationships with the counterparty. Indicate the type only (if it is the same transaction between the parent and subsidiary companies or among the subsidiaries, it does not need to be disclosed repeatedly. For example, if the parent company has disclosed a transaction with a subsidiary, the subsidiary does not need to disclose it again.

For transactions between subsidiaries, if one subsidiary has disclosed the transaction, the other subsidiary does not need to disclose it again.):

- (1) The parent company to its subsidiary.
- (2) The subsidiary to the parent company.
- (3) Between subsidiaries.

Note 3: The ratio of transactions relative to consolidated total sales revenue or total assets is calculated as follows. For assets or liabilities, the ratio is based on the ending balance relative to consolidated total assets; and for income or loss, the ratio was calculated based on the midterm accumulated amount of consolidated total sales revenue.

Note 4: Standards of disclosure threshold is set at transactions NT\$5,000 and above.

Note 5: In the absence of comparable transactions, the contract is conducted by agreed transaction price and terms. The credit term is the same as that offered to general customers.

**Jetway Information Co., Ltd. and its Subsidiaries**

Names and locations of investee companies and other relevant information (excluding investee companies in Mainland China) refer to Table 3.

From January 1 to March 31, 2024

**Table 3**

Unit: NTD in thousands  
(except stated otherwise)

Investment company name	Name of Investee Company (Note 1, 2)	Location	Primary Business Content	Original Investment Amount		Held at the end of the period			Current net profit or loss of the investee company (Note 2 (2))	Recognized current investment gain or loss (Note 2 (3))	Note
				End of the current period	End of last year	Shares	Ratio	Carrying amount			
Jetway Information Co., Ltd.	JET WAY COMPUTER CORP. (United States)	United States	Computer and peripheral equipment sales and maintenance	\$ 121,600	\$ 116,679	380	100	\$ 160,892	\$ 5,978	\$ 5,978	Subsidiary
Jetway Information Co., Ltd.	JET WAY COMPUTER B.V. (Netherlands)	Netherlands	Computer and peripheral equipment sales and maintenance	676	676	40	100	27,609	3,217	3,217	Subsidiary
Jetway Information Co., Ltd.	JET WAY (FAR EAST) INFORMATION COMPANY LIMITED	British Virgin Islands	Investment in computer and peripheral equipment	98,708	94,714	3,084,634	100	120,666	-	-	Subsidiary
Jetway Information Co., Ltd.	TOP NOVEL ENTERPRISE CORP.	Seychelles Islands	Investment in computer and peripheral equipment	566,416	543,494	17,700,500	100	441,723	6,278	6,278	Subsidiary
JET WAY (FAR EAST) INFORMATION COMPANY LIMITED	SCORETIME INVESTMENT LIMITED	British Virgin Islands	Investment in computer and peripheral equipment	97,108	93,178	3,034,634	100	119,714	-	-	Second-tier subsidiary
TOP NOVEL ENTERPRISE CORP. (Seychelles)	CANDID INTERNATIONAL CORP.	Seychelles Islands	Investment in computer and peripheral equipment	545,600	523,520	17,050,000	100	437,959	6,125	-	Second-tier subsidiary

Note 1: If a publicly issued company has a foreign holding company and the consolidated financial statements are the main financial statements according to local regulations, the disclosure of the information of the foreign investee can be limited to the information related to that holding company.

Note 2: For those not falling under Note 1, fill in according to the following provisions:

- (1) The columns such as "Name of Investee Company", "Location", "Primary Business Content", "Original Investment Amount", and "Shareholding Status at the End of the Period" should be completed in sequence according to the investment situation of our (public offering) company and the reinvestment situation of each invested company directly or indirectly controlled. The relationship between each invested company and our (public offering) company (such as subsidiaries or second-tier subsidiary) should be indicated in the "Note" column.
- (2) The current profit or loss amounts of each investee company should be recorded in the column "Current Profit or Loss of the Investee Company".
- (3) In the column "Recognized current investment gain or loss" only needs to be filled out with the gain or loss amounts of each subsidiary that recognized by the Company (public offering) from direct invests in and each investee company evaluated by the equity method need to be recorded, and the rest can be exempted. When filling out the "Current Profit or Loss Amounts of Directly Reinvested Subsidiaries", it should be confirmed that the amount of current profit or loss of each subsidiary has included the investment profit or loss that should be recognized according to the regulations on its reinvestment.

Note 3: For amounts in New Taiwan Dollars involving foreign currencies, the profit or loss is calculated by the average exchange rate from January 1, 2024, to March 31, 2024. Others are calculated based on the exchange rate at the end of the financial reporting period to be translated into New Taiwan Dollars.

**Jetway Information Co., Ltd. and its Subsidiaries**  
**Information on investments in China — Basic information**  
**From January 1 to March 31, 2024**

**Table 4**

Unit: NTD in thousands  
(except stated otherwise)

Name of investee company in China	Primary Business Content	Paid-in capital	Investment method (Note 1)	Accumulated	Current investment amount		Accumulated	Current net profit or loss of the investee company	Ownership Percentage of the Company Direct or Indirect Investment	Recognized current investment gain or loss (Note 2)	Carrying amount of investment at the end of the period	Accumulated Repatriation of Investment loss as of the end of the current period	Note
				Outward Remittance for Investment from Taiwan at the beginning of the current period	remitted or repatriated	Outward Remittance for Investment from Taiwan at the end of the current period	Outflow						
FUJIAN CANDID INTERNATIONAL CO., LTD.	Computer and peripheral equipment manufacturing and sales	\$ 544,000	(2)	\$ 544,000	\$ -	\$ -	\$ 544,000	\$ 6,059	100.00	\$ 6,059	\$ 436,315	\$ -	
<b>Company Name</b>	<b>Accumulated Outward Remittance for Investment from Taiwan to China at the end of the current period</b>	<b>Investment Amounts Authorized by Commission of the Ministry of Economic Affairs</b>	<b>Investment Limit for China as Stipulated by the Commission of Ministry of Economic Affairs (Note 3)</b>										
Jetway Information Co., Ltd.	\$ 544,000	\$ 544,000	\$ 911,050										

Note 1: Classification of Investment Methods

(1) Direct investment in China region

(2) Investment in China is made through CANDID INTERNATIONAL CORP., which was established via investment from a third-party region company

(3) Other Methods

Note 2: The investment profits or losses are calculated based on the financial statements of the company for the same period, which have been reviewed by the certified public accountant of the parent company in Taiwan.

Note 3: The investment is calculated at 60% of the net value from the most recent financial statements audited by the Company's accountant.

Note 4: In 2009, the Company applied to invest US\$5,000 thousand in FUJIAN CANDID INTERNATIONAL CO., LTD. through CANDID INTERNATIONAL CORP for direct investment in China, this investment application was approved for record under Shen-II-Zi No. 09800481640.

Applied for an indirect capital increase of US\$7,000 thousand in FUJIAN CANDID INTERNATIONAL CO., LTD. in 2011, this investment application was approved for record under Shen-II-Zi No. 10000431550.

Applied for an indirect capital increase of US\$5,000 thousand in FUJIAN CANDID INTERNATIONAL CO., LTD. in 2012, this investment application was approved for record under Shen-II-Zi No. 10100165490.

Note 5: For amounts in New Taiwan Dollars involving foreign currencies, the profit or loss is calculated by the average exchange rate from January 1, 2024, to March 31, 2024. Others are calculated based on the exchange rate at the end of the financial reporting period to be translated into New Taiwan Dollars.

**Jetway Information Co., Ltd. and its Subsidiaries**

**Information on investments in China — Significant transactions related to investee companies in China directly or indirectly through third-region enterprises**

**From January 1 to March 31, 2024**

**Table 5**

Unit: NTD in thousands  
(except stated otherwise)

Name of investee company in China	Sales (Purchases)		Property Transaction		Accounts Receivable (Payable)		Endorsements or provide pledges of collateral		Financing				Other
	Amount	%	Amount	%	Balance	%	Balance at the End of the Period	Purpose	Highest Balance for the Period	Balance at the End of the Period	Interest rate range	Current Interest	
FUJIAN CANDID INTERNATIONAL CO., LTD.	\$ -	-	\$ -	-	(\$20,329)	13.65	\$ -		\$ -	\$ -	-	-	Processing fees
													\$ 60,160
													Repairs fees
													\$ 866

**Jetway Information Co., Ltd. and its Subsidiaries**

**Major shareholder information**

**March 31, 2024**

**Table 6**

<b>Name of Major Shareholders</b>	<b>Shares</b>	
	<b>Number of Shares Held</b>	<b>Percentage of ownership</b>
AAEON Technology Inc.	26,450,000	35.27