Stock Code:3563

MACHVISION INC. CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Three Months Ended March 31, 2024 and 2023

Address: **No. 2-3, Gongye East 2nd Road, Hsinchu Science Park,**
Hsinchu 30075, Taiwan, R.O.C

Telephone: **(03)563-8599**

Table of contents

Independent Auditors' Review Report

To the Board of Directors of Machvision Inc. Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Machvision Inc. Co., Ltd. and its subsidiaries as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2024 and 2023, and notes to the consolidated financial statements(including meterial 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 Basis for Qualified Conclusion paragraph, we conducted ours reviews in accordance with the 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 the consolidated financial statements consists of making inquiries(primarily of persons responsible for financial and accounting matters), and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion.

Basis for Qualified Conclusion

As mentioned in note 4 (b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to $249,915 thousand and $236,377 thousand, constituting 4% and 6% of the consolidated assets; and the total liabilities amounting to $13,371 thousand and $18,588 thousand, both constituting 1% of the consolidated total liabilities as of March 31, 2024 and 2023, respectively; as well as the total comprehensive income (loss) amounting to $1,997 thousand and $(10,086) thousand, constituting 6% and (7)% of the consolidated total comprehensive income (loss) for the three months ended March 31, 2024 and 2023, respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chung-Shun Wu and Chun-I Chang.

KPMG

Taipei, Taiwan (Republic of China)
April 30, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

Reviewed only, not audited in accordance with the generally accepted auditing standards

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2024, December 31, 2023, and March 31, 2023

(In Thousands of New Taiwan Dollars)

Assets	March 31, 2024 Amount	%	December 31, 2023 Amount	%	March 31, 2023 Amount	%
Current assets:						
Cash and cash equivalents (note 6(a))	$ 928,896	16	845,393	15	1,966,334	48
Financial assets at amortized cost - current (note 6(b))	3,140,111	54	3,240,111	56	-	-
Notes receivable (note 6(c) and (n))	48,134	1	56,439	1	53,325	1
Accounts receivable, net (note 6(c) and (n))	741,553	13	736,285	13	1,051,106	26
Accounts receivable — related parties (notes (c), (o) and 7)	4,343	-	855	-	-	-
Other receivable	10,722	-	7,632	-	10,610	-
Inventories (note 6(d))	274,324	5	260,811	5	354,197	9
Prepayments	14,777	-	16,258	-	11,889	-
Other current assets	2,537	-	3,030	-	8,280	-
Total current assets	5,165,397	89	5,166,814	90	3,455,741	84
Non-current assets:						
Financial assets at fair value through profit or loss—non current (note 6(e))	9,644	-	15,744	-	15,744	-
Property, plant and equipment (note 6(f) and 9)	237,232	4	240,501	4	241,654	6
Right-of-use assets (note 6(g))	81,137	2	83,808	1	254,938	6
Deferred income tax assets	32,674	1	32,674	1	32,251	1
Refundable deposits	7,491	-	10,701	-	19,075	1
Long-term receivables (note 6(c) and (n))	238,585	4	205,063	4	99,800	2
Other non-current assets (note 8)	7,129	-	7,189	-	11,593	-
Total non-current assets	613,892	11	595,680	10	675,055	16
Total assets	$ 5,779,289	100	5,762,494	100	4,130,796	100

Liabilities and Equity	March 31, 2024 Amount	%	December 31, 2023 Amount	%	March 31, 2023 Amount	%
Current liabilities:						
Current contract liabilities (note 6(n))	$ 16,375	-	13,577	-	53,764	1
Notes payable	47	-	78	-	493	-
Accounts payable	125,174	2	103,751	2	221,921	5
Other payables (note 6(o))	202,836	3	239,899	4	224,955	6
Dividend payable (note 6(l))	348,877	6	-	-	357,826	9
Current tax liabilities	90,427	2	86,010	2	154,677	4
Provisions - current (note 6(i))	10,191	-	11,953	-	15,587	-
Current lease liabilities (note 6(h))	8,406	-	9,607	-	16,934	-
Other current liabilities	31,273	1	33,675	1	22,447	1
Total current liabilities	833,606	14	498,550	9	1,068,604	26
Non-current liabilities:						
Deferred income tax liabilities	770	-	770	-	-	-
Non-current lease liabilities (note 6(h))	75,635	2	77,002	1	243,496	6
Net defined benefit liabilities	8,421	-	8,421	-	10,077	-
Total non-current liabilities	84,826	2	86,193	1	253,573	6
Total liabilities	918,432	16	584,743	10	1,322,177	32
Equity attributable to shareholders of the Company (note 6(l)):						
Share capital	581,462	10	581,462	10	447,282	11
Capital surplus:						
Additional paid-in capital	1,948,081	33	2,006,227	35	31,546	1
Other capital surplus	47	-	36	-	36	-
	1,948,128	33	2,006,263	35	31,582	1
Retained earnings:						
Legal reserve	635,881	11	635,881	11	578,509	14
Special reserve	7,076	-	7,076	-	4,003	-
Unappropriated retained earnings	1,604,486	28	1,866,356	32	1,655,948	40
	2,247,443	39	2,509,313	43	2,238,460	54
Other equity interest:						
Foreign currency translation differences for foreign operations	(4,366)	-	(5,985)	-	(4,215)	-
Total equity attributable to shareholders of the company	4,772,667	82	5,091,053	88	2,713,109	66
Non-controlling interests	88,190	2	86,698	2	95,510	2
Total equity	4,860,857	84	5,177,751	90	2,808,619	68
Total liabilities and equity	$ 5,779,289	100	5,762,494	100	4,130,796	100

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with the generally accepted auditing standards

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2024 and 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Common Share)

	For the three months ended March 31			
	2024		2023	
	Amount	%	Amount	%
Operating revenue (notes 6(n) and 7)	$ 267,582	100	531,074	100
Operating costs (notes 6(d), (f), (g), (h), (i), (j) , (o) and 7)	122,945	46	196,589	37
Gross profit from operations	144,637	54	334,485	63
Operating expenses (notes 6(c), (f), (g), (h), (j), (o) and 7):				
Selling expenses	27,264	10	53,440	10
Administrative expenses	28,466	11	28,245	5
Research and development expenses	54,457	20	60,337	11
Impairment loss determined in accordance with IFRS9	54,630	20	2,918	1
Total operating expenses	164,817	61	144,940	27
Net operating income	(20,180)	(7)	189,545	36
Non-operating income and expenses (note 6(h) and (p)):				
Interest income	15,908	6	3,611	1
Other income	380	-	619	-
Other gains and losses	41,359	15	(4,864)	(1)
Financial costs	(288)	-	(919)	-
Total non-operating income and expenses	57,359	21	(1,553)	-
Net income before tax	37,179	14	187,992	36
Less: Income tax expenses (note 6(k))	7,041	3	36,115	7
Net income	30,138	11	151,877	29
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss				
Financial statements translation differences for foreign operations	1,834	1	(411)	-
Less: income tax related to items that will be reclassified to profit or loss	-	-	-	-
Total items that will be reclassified subsequently to profit or loss	1,834	1	(411)	-
Other comprehensive income (loss), net of tax	1,834	1	(411)	-
Total comprehensive income	**$ 31,972**	**12**	**151,466**	**29**
Net income attributable to:				
Shareholders of the parent	$ 28,861	11	156,688	30
Non-controlling interests	1,277	-	(4,811)	(1)
	$ 30,138	**11**	**151,877**	**29**
Total comprehensive income attributable to:				
Shareholders of the parent	$ 30,480	11	156,519	30
Non-controlling interests	1,492	1	(5,053)	(1)
	$ 31,972	**12**	**151,466**	**29**
Earnings per share(note 6(m)):				
Basic earnings per share (in New Taiwan dollars)	**$ 0.50**		**3.50**	
Diluted earnings per share (in New Taiwan dollars)	**$ 0.50**		**3.48**	

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with the generally accepted auditing standards

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
			Retained earnings				Total other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriate earnings	Total	Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2023	$ 447,282	121,034	578,509	4,003	1,767,629	2,350,141	(4,046)	2,914,411	102,758	3,017,169
Appropriation and distribution of retained earnings:										
Cash dividends of ordinary share	-	-	-	-	(268,369)	(268,369)	-	(268,369)	-	(268,369)
Cash dividends from capital surplus	-	(89,457)	-	-	-	-	-	(89,457)	-	(89,457)
Othe changes in capital surplus	-	5	-	-	-	-	-	5	-	5
Net income (loss)	-	-	-	-	156,688	156,688	-	156,688	(4,811)	151,877
Other comprehensive income	-	-	-	-	-	-	(169)	(169)	(242)	(411)
Total comprehensive income	-	-	-	-	156,688	156,688	(169)	156,519	(5,053)	151,466
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(2,195)	(2,195)
Balance at March 31, 2023	**$ 447,282**	**31,582**	**578,509**	**4,003**	**1,655,948**	**2,238,460**	**(4,215)**	**2,713,109**	**95,510**	**2,808,619**
Balance at January 1, 2024	$ 581,462	2,006,263	635,881	7,076	1,866,356	2,509,313	(5,985)	5,091,053	86,698	5,177,751
Appropriation and distribution of retained earnings:										
Cash dividends of ordinary share	-	-	-	-	(290,731)	(290,731)	-	(290,731)	-	(290,731)
Cash dividends from capital surplus	-	(58,146)	-	-	-	-	-	(58,146)	-	(58,146)
Other changes in capital surplus	-	11	-	-	-	-	-	11	-	11
Net income (loss)	-	-	-	-	28,861	28,861	-	28,861	1,277	30,138
Other comprehensive income	-	-	-	-	-	-	1,619	1,619	215	1,834
Total comprehensive income	-	-	-	-	28,861	28,861	1,619	30,480	1,492	31,972
Balance at March 31, 2024	**$ 581,462**	**1,948,128**	**635,881**	**7,076**	**1,604,486**	**2,247,443**	**(4,366)**	**4,772,667**	**88,190**	**4,860,857**

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with the generally accepted auditing standards

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2024	**2023**
Cash flows from operating activities:		
Net income before tax	$ 37,179	187,992
Adjustments:		
Adjustments to reconcile profit and loss:		
Depreciation expense	9,553	10,990
Impairment loss determined in accordance with IFRS9	54,630	2,918
Gains on financial assets at fair value through profit or loss.	(2,927)	-
Interest expense	288	919
Interest income	(15,908)	(3,611)
Loss on disposal of property, plant and equipment	17	2
Loss on disposal of investments	4,638	92
Total adjustments to reconcile profit	50,291	11,310
Changes in assets / liabilities relating to operating activities:		
Net changes in operating assets:		
Notes receivable	8,305	7,012
Accounts receivables and long term accounts receivable	(93,754)	(38,589)
Accounts receivable－related parties	(3,488)	-
Other receivables	(547)	(1)
Inventories	(13,597)	(23,217)
Prepayments	1,481	(3,722)
Other current assets	515	(5,819)
Total changes in operating assets, net	(101,085)	(64,336)
Net changes in operating liabilities:		
Contract liabilities	2,798	17,914
Notes payable	(31)	360
Accounts payables	21,423	42,793
Other payables	(37,063)	(71,931)
Provisions	(1,762)	2,613
Other current liabilities	(2,402)	(5,477)
Total changes in operating liabilities, net	(17,037)	(13,728)
Total changes in operating assets / liabilities, net	(118,122)	(78,064)
Total adjustments	(67,831)	(66,754)
Cash provided by operating activities	(30,652)	121,238
Interest income received	16,242	3,449
Income taxes paid	(2,646)	(4,357)
Net cash used in (provided by) operating activities	(17,056)	120,330
Cash flows from investing activities:		
Disposal of financial assets at amortized cost	100,000	-
Proceeds from disposal of subsidiaries	1,846	(2,172)
Acquisition of property, plant and equipment	(3,025)	(3,694)
Decrease in refundable deposits	3,210	1,444
Decrease (increase) in other non current assets	60	(7)
Net cash provided by (used in) investing activities	102,091	(4,429)
Cash flows from financing activities		
Payment of lease liabilities	(672)	(462)
Interest paid	(2,224)	(3,818)
Surplus not paid due to overdue	11	5
Net cash used in financing activities	(2,885)	(4,275)
Effect of exchange rate changes on cash and cash equivalents	1,353	(550)
Net Increase in cash and cash equivalents	83,503	111,076
Cash and cash equivalents at beginning of period	845,393	1,855,258
Cash and cash equivalents, end of the period	$ 928,896	1,966,334

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with the generally accepted auditing standards

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(In Thousands of New Taiwan Dollars)

(1) Company history

MACHVISION INC. CO., LTD. (the Company) was incorporated in June 9, 1998 as a company limited by shares under the laws of (ROC). The address of the Company’s registered office is No. 2-3, Gongye East 2nd Road, Hsinchu Science Park, Hsinchu 30075, Taiwan, R.O.C. The consolidated entities in the consolidated financial statements dated March 31, 2024 include the Company and its subsidiaries (the Group). The Group is mainly engaged in the manufacturing and trading of optical inspection machinery equipment.

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and published on April 30, 2024.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

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

(b) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities. ・ A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ・ Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ・ Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies

Except as described below, the summary statement of the significant accounting policies for this consolidated financial report is the same as the consolidated financial report for 2023, related information please refer to the note 4 from consolidated financial statements of 2023.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to " the Regulations") and IAS 34, "Interim Financial Reporting endorsed by FSC, and do not present all the disclosures required for a complete set of annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations, and Interpretations issued and endorsed into effect by the FSC (hereinafter referred to "IFRS endorsed by the FSC") for a complete set of the annual consolidated financial statements.

(b) Basis of consolidation

(i) Principles of preparation of consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements.

(ii) List of subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements are as follows:

			Percentage of ownership			
Investor	**Subsidiary**	**Nature of business**	**March 31, 2024**	**December 31, 2023**	**March 31, 2023**	**Notes**
The Company	Machvision Inc. (Samoa)	Investment	100.00%	100.00%	100.00%	
The Company	Machvision Korea Co., Ltd.	Maintaining and trading of machinery equipment	100.00%	100.00%	100.00%	
The Company	Machvision (Thailand) Co., Ltd.	Maintaining and trading of machinery equipment	99.99%	99.99%	-%	1
The Company	SISSCA Co.,Ltd	Manufacturing of optical inspection machinery equipment and computer peripheral products	52.86%	52.86%	52.86%	
Machvision Inc. (Samoa)	Machvision (Dongguan) Inc.	Maintaining and trading of machinery equipment	100.00%	100.00%	100.00%	

Investor	Subsidiary	Nature of business	Percentage of ownership March 31, 2024	December 31, 2023	March 31, 2023	Notes
Machvision (Dongguan) Inc.	Dongguan muxin intelligent equipment Co., Ltd	Maintaining and trading of machinery equipment	-%	-%	-%	2
SISSCA Co.,Ltd.	SiSSCA (JIANG SU) Co., Ltd.	Manufacturing of optical inspection machinery equipment	100.00%	100.00%	100.00%	

Note 1: In response to the needs of business development, the Group's Board of Directors resolved on June 7, 2023, to invest and establish a subsidiary in Thailand. The estimated investment amount is $100,000 thousand, and the invested amount is US$716,332.38 (approximately $22,413 thousand), and the establishment registration has been completed.

Note 2: The subsidiary had been liquidated in February 2023

Note 3: Except for Machvision Inc.(Samoa) and Machvision (Dongguan) Inc., which have been significant subsidiaries since 2023 and whose financial reports have been reviewed by accountants, the financial reports of the other non-significant subsidiaries have not been reviewed by accountants.

(c) Employee benefits

In the interim, the benefit scheme pension department uses the previous year's reporting date to determine the pension cost rate on an actuarial basis, based on the end of the reclassified period at the beginning of the year, and to adjust for major market fluctuations, major downsizing, liquidation or other major one-off matters.

(d) Income tax

The Group is measured and exposed for income tax expenses during the interim period in accordance with the paragraph B12 of interim financial report of IAS 34.

The income tax fee is in order to multiply the pre-tax net profit by the management during the reporting period by the best estimated street volume of the expected effective tax rate for the whole year, and is fully recognized as the current income tax fee.

The income tax fee, which is directly recognized as an equity item or other consolidated profit and loss item, is a temporary difference between the carrying amount of the relevant assets and liabilities for the purpose of reporting and its tax base, which is measured by the applicable tax rate at the time of expected realization or liquidation.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

Management shall, in accordance with the preparation criteria and the interim financial report of IAS34 as approved by the FSC, make judgments, estimates and assumptions in the preparation of the consolidated financial reports, which will have an impact on the adoption of accounting policies and the amount of assets, liabilities, benefits and expenses reported. Actual results may differ from estimates·

In the preparation of consolidated financial reports, the management adopts the uncertainty of significant judgment and estimation of the consolidation of corporate accounting policies, the main source of which is consistent with the consolidated Financial Report Note 5 of 2023.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	$ 1,650	2,334	3,387
Saving deposits	463,842	351,838	432,624
Foreign currency deposits	221,404	176,991	570,694
Time deposits	242,000	314,230	959,629
Cash and cash equivalents per statements of cash flow	$ 928,896	845,393	1,966,334

The expiry date of three months to a year on deposit satisfy the highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

Please refer to note 6(q)for the interest rate risk and the fair value sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets measured at amortized cost

	March 31, 2024	December 31, 2023	March 31, 2023
Time deposits	$ 3,140,111	3,240,111	-
Interest rate (%)	0.695~1.690	0.625~1.575	-
Maturity dates	Ranged from April 2024 to December 2024	Ranged from January 2024 to December 2024	-

The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

The Group's financial assets measured at amortized cost had not pledged as collateral.

(c) Notes, accounts and long-term accounts receivable

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	$ 48,134	56,439	53,325
Accounts receivable	855,459	794,876	1,079,695
Accounts receivable－related parties	4,343	855	-
Long-term accounts receivable	239,338	205,482	100,085
Less: allowance for impairment	113,906	58,591	28,589
unrealized interest income	753	419	285
	$ 1,032,615	998,642	1,204,231

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected credit loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward-looking information, including macroeconomic and relevant industry information. The expected credit losses were determined as follows:

	March 31, 2024		
	Gross carrying amount	**Weighted-average expected credit loss rate**	**Loss allowance provision**
Current	$ 683,696	0.0285%	195
1 to 90 days past due	139,258	0.5414%	754
91 to 180 days past due	78,900	1.8695%	1,475
181 to 270 days past due	84,494	8.8480%	7,476
271 to 365 days past due	88,916	36.8314%	32,749
Past due over 365 days	71,257	100.0000%	71,257
	$ 1,146,521		**113,906**

	December 31, 2023		
	Gross carrying amount	**Weighted-average expected credit loss rate**	**Loss allowance provision**
Current	$ 662,332	0.0269%	178
1 to 90 days past due	95,919	0.4764%	457
91 to 180 days past due	105,724	1.5720%	1,662
181 to 270 days past due	100,111	6.8224%	6,830
271 to 365 days past due	68,359	36.0977%	24,676
Past due over 365 days	24,788	100.0000%	24,788
	$ 1,057,233		**58,591**

	March 31, 2023		
	Gross carrying amount	**Weighted-average expected credit loss rate**	**Loss allowance provision**
Current	$ 874,700	0.01360%	119
1 to 90 days past due	172,673	0.32840%	567
91 to 180 days past due	95,238	1.32090%	1,258
181 to 270 days past due	57,237	6.35430%	3,637
271 to 365 days past due	16,707	40.36030%	6,743
Past due over 365 days	16,265	100.0000%	16,265
	$ 1,232,820		**28,589**

The movement in the allowance for accounts receivable was as follows:

	For the three months ended March 31	
	2024	2023
Balance at the beginning of the period	$ 58,591	25,660
Impairment losses recognized	54,630	2,918
Effect of movement in exchange rates	685	11
Balance at the end of the period	$ 113,906	28,589

The aforementioned notes and accounts receivables of the Group had not been pledged as collateral.

The carrying amounts of notes and accounts receivable with short maturity are not discounted under the assumption that the carrying amount approximates the fair value.

(d) Inventories

The components of the Group's inventories were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Merchandise and finished goods	$ 51,744	42,999	43,508
Work in process	89,496	69,495	102,377
Raw material	133,084	148,317	208,312
	$ 274,324	260,811	354,197

The Group inventories were not provided as pledged assets.

Except for operating costs arising from the ordinary sale of inventories, other gains and losses directly recorded under operating cost were as follows:

	For the three months ended March 31	
	2024	2023
Loss (gain) on decline in market value of inventory	$ 3,459	(767)

(e) Financial assets at fair value through profit or loss－non-current

	March 31, 2024	December 31, 2023	March 31, 2023
Mandatorily measured at fair value through profit or loss:			
Unlisted stocks (domestic) - Yayatech Co., Ltd.	$ 9,644	9,644	9,644
For Win Tech Co.,Ltd	-	6,100	6,100
Total	$ 9,644	15,744	15,744

(f) Property, plant and equipment

The cost and depreciation of the property, plant and equipment of the Group were as follows:

		Buildings	Machinery equipment	Other equipment	Construction in progress	Total
Cost:						
Balance at January 1, 2024	$	306,382	10,459	30,107	25,123	372,071
Additions		2,666	-	359	-	3,025
Disposals		(2,574)	(620)	(628)	-	(3,822)
Reclassification		-	-	84	-	84
Effect of movement in exchange rates		782	8	81	-	871
Balance at March 31, 2024	$	307,256	9,847	30,003	25,123	372,229
Balance at January 1, 2023	$	306,359	11,656	31,967	11,640	361,622
Additions		570	1,992	1,132	-	3,694
Disposals		(1,020)	(85)	(338)	-	(1,443)
Reclassification		-	(108)	50	-	(58)
Effect of movement in exchange rates		192	1	22	-	215
Balance at March 31, 2023	$	306,101	13,456	32,833	11,640	364,030
Depreciation:						
Balance at January 1, 2024	$	108,776	6,006	16,788	-	131,570
Depreciation		4,533	687	1,624	-	6,844
Disposals		(2,574)	(620)	(611)	-	(3,805)
Effect of movement in exchange rates		352	1	35	-	388
Balance at March 31, 2024	$	111,087	6,074	17,836	-	134,997
Balance at January 1, 2023	$	93,735	6,125	16,780	-	116,640
Depreciation		4,522	827	1,808	-	7,157
Disposals		(1,020)	(85)	(336)	-	(1,441)
Reclassification		-	(13)	(45)	-	(58)
Effect of movement in exchange rates		71	-	7	-	78
Balance at March 31, 2023	$	97,308	6,854	18,214	-	122,376
Carrying amounts:						
January 1, 2024	$	197,606	4,453	13,319	25,123	240,501
March 31, 2024	$	196,169	3,773	12,167	25,123	237,232
January 1, 2023	$	212,624	5,531	15,187	11,640	244,982
March 31, 2023	$	208,793	6,602	14,619	11,640	241,654

(g) The Right-of-use assets

The Group leases assets including land and buildings, and transportation equipment. Information about leases for which the Group as a lessee is presented below:

		Land and buildings	Other equipment	Total
Cost:				
Balance at January 1, 2024	$	107,727	33,173	140,900
Modification		(2,994)	-	(2,994)
Effect of changes in foreign exchange rates		46	61	107
Balance at March 31, 2024	$	104,779	33,234	138,013
Balance at January 1, 2023	$	272,064	26,424	298,488
Additions		3,303	2,176	5,479
Effect of changes in foreign exchange rates		(92)	-	(92)
Balance at March 31, 2023	$	275,275	28,600	303,875
Accumulated depreciation:				

	Land and buildings	Other equipment	Total
Balance at January 1, 2024	$ 30,769	26,323	57,092
Depreciation	1,664	1,045	2,709
Modification	(2,994)	-	(2,994)
Effect of changes in foreign exchange rates	28	41	69
Balance at March 31, 2024	$ 29,467	27,409	56,876
Balance at January 1, 2023	$ 24,274	20,910	45,184
Depreciation	2,550	1,283	3,833
Effect of changes in foreign exchange rates	(80)	-	(80)
Balance at March 31, 2023	$ 26,744	22,193	48,937
Carrying amounts:			
January 1, 2024	$ 76,958	6,850	83,808
March 31, 2024	$ 75,312	5,825	81,137
January 1, 2023	$ 247,790	5,514	253,304
March 31, 2023	$ 248,531	6,407	254,938

(h) Lease liabilities

The Group's lease liabilities were as follow:

	March 31, 2024	December 31, 2023	March 31, 2023
Current	$ 8,406	9,607	16,934
Non-current	$ 75,635	77,002	243,496

For the maturity analysis, please refer to note 6(q).

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2024	2023
Interest on lease liabilities	$ 288	919
Expenses relating to short-term leases	$ 1,498	2,218
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 69	82

The amounts recognized in the statement of cash flows for the Group was as follows:

	For the three months ended March 31	
	2024	2023
Total cash outflow for leases	$ 4,463	6,580

(i) Provisions

	March 31, 2024	December 31, 2023	March 31, 2023
Warranty	$ 10,191	11,953	15,587

There is no significant change in the liability reserve of the Group for the three months ended March 31, 2024 and 2023. For information, please refer to Note 6 (i) of the consolidated financial report of 2023.

(j) Employee benefits

1. Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended March 31	
	2024	2023
Operating costs	$ 30	17
Operating expenses	31	31
Total	$ 61	48

2. Defined contribution plans

The Group’s expenses under the pension plan cost to the Bureau of Labor Insurance and local government were as follows:

	For the three months ended March 31	
	2024	2023
Operating costs	$ 2,017	2,238
Operating expenses	2,980	2,751
Total	$ 4,997	4,989

(k) Income tax

The income tax expense is estimated by the profit before tax in the interim financial period multiplied by the best estimated effective interest rate of the whole year of the management.

The Group's income tax expense is as follows:

	For the three months ended March 31	
	2024	2023
Current tax expenses		
Current period	$ 7,041	36,115
Income tax expense	**$ 7,041**	**36,115**

The tax authorities have examined income tax returns of the Company through 2021.

(l) Capital and other equity

Except for the following terms, there is no significant change in capital and other rights for the group for the three months ended March 31, 2024 and 2023. The relevant liability is referred to in note 6 (m) of the consolidated financial report of 2023.

1. Retained earings

Cash dividends distributed by capital surplus and earnings distribution were as follows:

	From January 1 to June 30, 2023	From July 1 to December 31, 2023	Total
Resolution date of the board meeting	**On November 1, 2023**	**On February 5, 2024**	
Dividends distributed to ordinary stockholders:			
Cash－Retained earnings	$ -	290,731	290,731
Cash－Capital surplus	58,146	58,146	116,292
Total amounts	**$ 58,146**	**348,877**	**407,023**
Amount per share (NTD)	**$ 1.00**	**6.00**	

	From January 1 to June 30, 2022	From July 1 to December 31, 2022	Total
Resolution date of the board meeting	**On November 3, 2022**	**On February 16, 2023**	
Dividends distributed to ordinary stockholders:			
Cash－Retained earnings	$ 89,457	268,369	357,826
Cash－Capital surplus	-	89,457	89,457
Total amounts	**$ 89,457**	**357,826**	**447,283**
Amount per share (NTD)	**$ 2.00**	**8.00**	

(m) Earnings per share

The calculation of the Company's basic and diluted earnings per is as follows:

(i) Basic earnings per share

	For the three months ended March 31	
	2024	2023
Net income attributable to ordinary shareholders of the Company	$ 28,861	156,688
Weighted-average number of ordinary shares	58,146	44,728
Basic earnings per share (NTD)	$ 0.50	3.50

(ii) Diluted earnings per share

	For the three months ended March 31	
	2024	2023
Net income attributable to ordinary shareholders of the Company (diluted)	$ 28,861	156,688
Weighted average number of ordinary shares (basic)	58,146	44,728
Effect of potential ordinary shares		
Effect of remuneration to employees	68	267
Weighted-average number of ordinary shares (diluted)	58,214	44,995
Diluted earnings per share (in NTD)	$ 0.50	3.48

(n) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31, 2024		
	Taiwan	China	Total
Primary geographical markets:			
Taiwan	$ 40,138	-	40,138
China	160,497	57,705	218,202
Others	9,242	-	9,242
	$ 209,877	57,705	267,582
Primary merchandises/services lines:			
Sale of optical inspection machinery equipment	$ 202,739	18,879	221,618
Revenue from services	7,138	38,826	45,964
	$ 209,877	57,705	267,582

	For the three months ended March 31, 2023		
	Taiwan	China	Total
Primary geographical markets:			
Taiwan	$ 65,615	-	65,615
China	348,153	70,899	419,052
Others	46,407	-	46,407
	$ 460,175	70,899	531,074
Primary merchandises/services lines:			
Sale of optical inspection machinery equipment	$ 445,808	40,955	486,763
Revenue from services	14,367	29,944	44,311
	$ 460,175	70,899	531,074

(ii) Contract balance

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	$ 48,134	56,439	53,325
Accounts receivable	855,459	794,876	1,079,695
Accounts receivable－related parties	4,343	855	-
Long-term receivables	239,338	205,482	100,085
Less: allowance for impairment	113,906	58,591	28,589
unrealized interest income	753	419	285
Total	**$ 1,032,615**	**998,642**	**1,204,231**
Contract liabilities--advance receipts	**$ 16,375**	**13,577**	**53,764**

Please refer to note 6(c) for the details on accounts receivables and allowance for impairments. The contract liability is mainly due to advance receipts, wherein the Company will recognize revenue when the product is delivered to the customer. The amount of revenue recognized for the three months ended March 31, 2024 and 2023 that were included in the contract liability balance at the beginning of the period were $7,671 thousand and $31,667 thousand, respectively.

(o) Remuneration to employees and directors

In accordance with the Company's Articles, the profit for the year should be reserved to offset the deficit, then, should contribute no less than 5% of the profit as employee remuneration, and less than 3% as directors' remuneration.

The remunerations to employees amounting to $1,896 thousand and $15,208 thousand, respectively, for the three-month period ended March 31, 2024 and 2023 The remunerations to directors amounting to $114 thousand and $1,906 thousand, respectively, for the three-month period ended March 31, 2024 and 2023. These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the proposed percentage which is stated under the Company's proposed Article of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

In 2023 and 2022, the amount of employee remuneration is NT$44,655 thousand and NT$53,835 thousand, respectively, and that of directors is NT$5,582 thousand and NT$8,299 thousand, respectively. There is no difference from the distribution of board resolutions. The information is available on the Market Observation Post System website.

(p) Non-operating income and expenses

(i) Interest income

	For the three months ended March 31	
	2024	2023
Interest income from bank deposits	$ 16,187	3,444
Others	(279)	167
Total interest income	$ 15,908	3,611

(ii) Other income

	For the three months ended March 31	
	2024	2023
Others	$ 380	619

(iii) Other gains and losses

	For the three months ended March 31	
	2024	2023
Losses on disposals of property, plant and equipment	$ (17)	$ (2)
Loss on disposal of investments	(4,638)	(92)
Foreign exchange gains(losses)	43,107	(4,768)
Gains on financial assets at fair value through profit or loss.	2,927	-
Others	(20)	(2)
Other gains and losses, net	$ 41,359	$ (4,864)

(iv) Finance costs

	For the three months ended March 31	
	2024	2023
Interest expenses	$ 288	919

(q) Financial instruments

Except for the following, there is no significant change in the fair value of the financial instruments and the exposure to credit risks and market risks due to financial instruments. Please refer to note 6 (r) of the consolidated financial report of 2023.

1. Credit risk

The credit receivable account of the credit risk Group in March 31, 2024, December 31, 2023 and March 31, 2023 was concentrated on single customers, accounting for 25%, 21% and 16% of the receivable and accounts receivable (including long-term receivables) respectively.

2. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying Amount	Contractual cash flows	Within a year	1-5 years	Over 5 years
March 31, 2024					
Non-derivative financial liabilities					
Notes payable	47	47	47	-	-
Accounts payable	125,174	125,174	125,174	-	-
Other payables	202,836	202,836	202,836	-	-
Dividend payables	348,877	348,877	348,877	-	-
Lease liabilities	84,041	109,444	8,414	12,376	88,654
	$ 760,975	**786,378**	**685,348**	**12,376**	**88,654**

	Carrying Amount	Contractual cash flows	Within a year	1-5 years	Over 5 years
December 31, 2023					
Non-derivative financial liabilities					
Notes payable	78	78	78	-	-
Accounts payable	103,751	103,751	103,751	-	-
Other payables	239,899	239,899	239,899	-	-
Lease liabilities	86,609	112,296	9,607	13,435	89,254
	$ 430,337	**456,024**	**353,335**	**13,435**	**89,254**

	Carrying Amount	Contractual cash flows	Within a year	1-5 years	Over 5 years
March 31, 2023					
Non-derivative financial liabilities					
Notes payable	493	493	493	-	-
Accounts payable	221,921	221,921	221,921	-	-
Other payables	224,955	224,955	224,955	-	-
Dividend payables	357,826	357,826	357,826	-	-
Lease liabilities	260,430	352,660	16,934	35,193	300,533
	$ 1,065,625	**1,157,855**	**822,129**	**35,193**	**300,533**

The Group is not expecting the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to foreign currency risk

The Group's financial assets and liabilities exposed to significant currency risk was as follows:

	Foreign currency	Exchange rate	NTD
March 31, 2024			
Financial Assets			
Monetary items			
USD	$ 29,204	32.0000	934,537
CNY	$ 117,746	4.4080	519,023
Financial liabilities			
Monetary items			
USD	$ 1,191	32.0000	38,124
CNY	$ 14,951	4.4080	65,905
December 31, 2023			
Financial Assets			
Monetary items			
USD	$ 26,446	30.7050	812,032
CNY	$ 118,513	4.3270	512,806
Financial liabilities			
Monetary items			
USD	$ 1,186	30.7050	36,409
CNY	$ 16,733	4.3270	72,405
March 31, 2023			
Financial Assets			
Monetary items			
USD	$ 45,191	30.4500	1,376,069
CNY	$ 154,488	4.4310	684,537
Financial liabilities			
Monetary items			
USD	$ 2,223	30.4500	67,685
CNY	$ 14,861	4.4310	65,851

The Group's exposure to foreign currency risk arises from the translation of foreign currency exchange gains and losses on cash and cash equivalents, receivables, accounts payables that are denominated in foreign currency. A weakening or strengthening 3% appreciation or depreciation of the NTD against the USD and CNY as of March 31, 2024 and 2023, would have increased or decreased the net profit after tax by $32,389 thousand and $46,250 thousand, respectively. The analysis is performed on the same basis for both periods.

Since the Group has many kinds of functional currencies, the information on foreign exchange gains (loss) on monetary items is disclosed based on the total amount. For the three months ended March 31, 2024 and 2023, foreign exchange gains (losses) (including realized and unrealized portion) amounted to $43,107 thousand and $(4,768) thousand.

2) Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is determined by the interest rate storm risk of derivative and non-derivative instruments in the reporting day. For floating rate liabilities, the way of analysis is to assume that the amount of debt in circulation outside the reporting day is in circulation throughout the year. The rate of change used to report interest rates to key management within the Group is an increase or loss of 1% per cent in interest rates, which also represents an assessment by management of the extent to which interest rates may vary reasonably.

If the interest rate had increased or decreased by 1%, the Group's net income before tax would have increase or decrease by $10,186 thousand and $4,936 thousand for the three months ended March 31, 2024 and 2023, respectively, with all other variable factors remain constant. This is mainly due from the Group's cash in bank, financial assets at amortized cost and restricted bank deposits on variable rates.

(iv) Information of fair value

(1) Categories and fair value of financial instruments

Except for the following, the Group is not required to disclose fair value information in accordance with regulations because the remaining financial assets and financial liabilities are financial assets and liabilities measured at amortized cost and their carrying amounts are reasonable approximations of fair value:

	March 31, 2024				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	$ 9,644	-	-	9,644	9,644

	December 31, 2023				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	$ 15,744	-	-	15,744	15,744

	March 31, 2023				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	$ 15,744	-	-	15,744	15,744

(2) Valuation techniques for financial instruments measured at fair value－Non derivative financial instruments

If the financial instruments have no quoted market price in an active market, the Group shall use the market comparison approach to evaluate the fair value. The main assumption used in computing the market price is based on the investee’s equity and the quoted price from a competitor. The estimated price has been discounted due to the lack of liquidity in the price of securities .

(3) Fair value hierarchy

The Group used the fair value that can be observed in the market to measure the value of assets and liabilities. Fair value levels are based on the degree in which the fair value can be observed and grouped in to Levels 1 to 3 as follows:

A. Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
B. Level 2: inputs, other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
C. Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

No transfers between the Group’s fair value levels.

(4) Reconciliation of leve3 fair values

		Unquoted equity instruments
Balance at January 1, 2024	$	15,744
Recognized in profit or loss		2,927
Disposals		(9,027)
Balance at March 31, 2024	$	9,644
Balance at December 31, 2023 (Balance at January 1, 2023)	$	15,744

The amounts recognized in profit or loss as mentioned above are reported under other gains and losses.

(5) Quantitative information of significant unobservable inputs (Level 3) through fair value

Item	Valuation technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through profit or loss－Equity investments without an active market	Comparative listed company	• Price book ratio (As of March 31, 2024, December 31, 2023 and March 31, 2023 were 2.01, 2.01~2.4 and 1.66~1.96, respectively) • P/E ratio (As of March 31, 2024, December 31, 2023 and March 31, 2023 were 14.94, 14.94~17.94 and 7.83~11.13, respectively) • Market illiquidity discount rate (As of March 31, 2024, December 31, 2023 and March 31, 2023 were 30%)	The estimated fair value would increase (decrease) if • the price book ratio and the P/E ratio the were higher (lower) • the market illiquidity discount were lower (higher)

(6) Fair value measurements in Level 3- sensitivity analysis of reasonably possible alternative assumptions

For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

	Input	Assumptions	Other comprehensive income Favorable	Other comprehensive income Unfavorable
March 31, 2024				
Financial assets at fair value through profit or loss				
Equity investments without an active market	Market illiquidity discount rate	10%	5,880	(5,880)
December 31, 2023				
Financial assets at fair value through profit or loss				
Equity investments without an active market	Market illiquidity discount rate	10%	7,896	(7,896)
March 31, 2023				
Financial assets at fair value through profit or loss				
Equity investments without an active market	Market illiquidity discount rate	10%	3,223	(3,223)

The favorable and unfavorable effects represent the change in fair value, and the fair value is based on a variety of un-observable inputs calculated using a valuation technique.

(r) Financial risk management

Consolidation of corporate financial risk management objectives and policies there were no significant changes in the disclosure of Notes 6 (s) to the 2023 consolidated financial report.

(s) Capital management

The Group’s capital management objectives, policies and procedures are consistent with those revealed in the 2023 consolidated financial report. For further information, please refer to note 6 (t) of the consolidated financial report of 2023.

The Group's debt-to-adjusted-capital ratio at the end of the reporting period was as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Liabilities	$ 918,432	584,743	1,322,177
Less: cash and cash equivalents	928,896	845,393	1,966,334
Net liabilities	$ (10,464)	(260,650)	(644,157)
Total equity	$ 4,860,857	5,177,751	2,808,619
Debt-to-capital ratio	- %	- %	- %

As of March 31, 2024, there was no change in the Group's approach of capital management.

(t) Investing and financing activities not affecting current cash flow

The Group’ s investing and financing activities which did not affect the current cash flow in the years ended March 31, 2024 and 2023 were to acquire right-of-use assets through leasing.

(u) Reconciliation of liabilities arising from financing activities

The Group's liability adjustment associated with financing activities were as follows:

	January 1, 2024	Cash flows	Non-cash adjustments: Addition	Non-cash adjustments: Foreign exchange movement	Non-cash adjustments: Interest expenses	March 31, 2024
Lease liabilities	$ 86,609	(2,896)	-	40	288	84,041
Total liabilities from financing activities	**$ 86,609**	**(2,896)**	**-**	**40**	**288**	**84,041**

	January 1, 2023	Cash flows	Non-cash adjustments: Lease Modification	Non-cash adjustments: Foreign exchange movement	Non-cash adjustments: Interest expenses	March 31, 2023
Lease liabilities	$ 258,326	(4,280)	5,479	(14)	919	260,430
Total liabilities from financing activities	**$ 258,326**	**(4,280)**	**5,479**	**(14)**	**919**	**260,430**

(7) Related-party Transactions

(a) Parent company and ultimate controlling party

The Company is both the parent company and the ultimate controlling party of the Group.

(b) Names and relationship with related parties

In this consolidated financial report, the related parties having transactions with the Consolidated Company are listed as below:

Name of related party	Relationship with the Group
Advanced Semiconductor Engineering, Inc.	Entities with significant influence over the Group at June 21, 2023
ASE Electronics Inc.	Entities with significant influence over the Group at June 21, 2023
ASE (Shanghai) Inc.	Entities with significant influence over the Group at June 21, 2023
Siliconware Precision Industries Co., Ltd.	Entities with significant influence over the Group at June 21, 2023

(c) Significant transactions with related parties

(i) Operating revenue

The amounts of significant sales by the Group to related parties were as follows:

	March 31, 2024	March 31, 2023
Entities with significant influence over the Group	**$ 17,026**	**-**

The selling price and the credit terms for related parties were approximated for routine sales transactions. Amounts receivable from related parties were uncollateralized, and no expected credit loss were required after the assessment by the management.

(ii) Purchases

The amounts of significant purchases by the Group from related parties were as follows:

	March 31, 2024	March 31, 2023
Entities with significant influence over the Group	**$ 22**	**-**

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors.

(iii) Research and development expenses

The details of the expenses incurred by the Group for design and mold making commissioned by related parties were as follows:

	March 31, 2024	March 31, 2023
Entities with significant influence over the Group	**$ 6**	**-**

(iv) Receivables from related parties

The receivables from related parties were as follows:

Account	**Type of related parties**	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable — related parties	Entities with significant influence over the Group	**$ 4,343**	**$ 855**	**-**

(d) Key management personnel transactions

The compensation of the key management personnel comprised the following:

	March 31, 2024	March 31, 2023
Short-term employee benefits	$ 6,467	12,104
Post-employment benefits	81	108
	$ 6,548	**12,212**

(8) Pledge assets

The carrying value of pledged assets were as follows:

Pledged assets	**Object asset**	**March 31, 2024**	**December 31, 2023**	**March 31, 2023**
Other non-current assets:				
Time deposits	Guarantee for customs	$ 1,514	1,506	1,506
Time deposits	Guarantee for rent the land and buildings from the Hsinchu Science Park Bureau	5,615	5,615	10,087
		$ 7,129	**7,121**	**11,593**

(9) Commitments and contingencies:

In order to expand the business, the Board of Directors approved a resolution for leasing land to build a factory and office building in Hsinchu Science Park on May 26, 2022, and as of December 31, 2023, the amount invested is $24,682 thousand. However, due to the semiconductor industry is instability caused by covid 19 and U.S. China Trade War, the factory construction plan has been adjusted. And MediaTek Incorporated is actively seeking the opportunity to cooperate with the Company to build a new factory due to the lack of space in the factory, so the Board of Directors approved the cooperation with MediaTek Incorporated to build a new factory on April 28, 2023.

(10) Losses due to major disasters: None.

(11) Subsequent events: None

(12) Others

(a) The following is a summary statement of employee benefits, depreciation and amortization expensed by function:

Function / Item	For the three months ended March 31 2024			For the three months ended March 31 2023		
	Operating costs	**Operating expense**	**Total**	**Operating costs**	**Operating expense**	**Total**
Employee benefits						
Salaries	34,445	61,805	96,250	34,441	79,807	114,248
Labor and health insurance	2,828	4,759	7,587	2,756	4,950	7,706
Pension	2,047	3,011	5,058	2,255	2,782	5,037
Directors' remuneration	-	114	114	-	1,906	1,906
Other employee benefits	2,948	4,609	7,557	5,232	7,715	12,947
Depreciation	2,253	7,300	9,553	2,105	8,885	10,990
Amortization	-	-	-	-	-	-

(b) Seasonal of operations:

The operation of the Group is not affected by seasonal or cyclical factors.

(13) Other Disclosure

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

1. Loans to other parties: None.
2. Guarantees and endorsements for other parties: None.
3. Securities held as of March 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(Amounts in Thousands of New Taiwan Dollar)

Name of holder	Nature and name of security	Relationship with the security issuer	Account name	March 31, 2024				Notes
				Number of shares	Book value	Holding percentage	Market value	
The Company	Yayatech Co., Ltd.	–	Financial assets at fair value through profit or loss－non-current	884,000	9,644	5.30 %	9,644	

4. Individual securities acquired of disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock : None.
5. Acquisitions of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.
6. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.
7. Related-party transaction for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.
8. Receivable from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital:

(Amounts in Thousands of New Taiwan Dollar)

Name of related party	Counter party	Relationship	Balance as March 31, 2024	Turnover rate	Past due receivables from related party		Subsequently received amount of receivable from related party	Allowance for Impairment Loss
					Amount	Action Taken		
The Company	Machvision (Dongguan) Inc.	Subsidiaries	397,359	0.23	183,463	Depends on the end customer's credit period	17,134 (As of April 30 , 2024)	-

9. Trading in derivative instruments: None.

10. Business relationships and significant intercompany transactions:

No.	Name of company	Name of counterparty	Existing relationship with the counter-party	Transaction details			
				Account name	Amount	Trading terms	Percentage of the total consolidated revenue or total assets
0	The Company	Machvision (Dongguan) Inc.	1	Operating revenue	23,818	Depends on the Group overall profit allocation	8.90%
0	The Company	SISSCA Co.,Ltd.	1	Other revene	3,744	Depends on the Group overall profit allocation	1.40%
0	The Company	Machvision (Dongguan) Inc.	1	Operating cost	15,594	Depends on the Group overall profit allocation	5.83%
0	The Company	SISSCA Co.,Ltd.	1	Operating cost	13,078	Depends on the Group overall profit allocation	4.89%
0	The Company	Machvision (Dongguan) Inc.	1	Accounts receivable – related parties (including long-term accounts receivables)	397,359	Depends on the end customer's credit period	6.88%
0	The Company	Machvision (Dongguan) Inc.	1	Other payables – related parties	71,182	Dependent on capital budgeting	1.23%

Note 1: Company numbering is as follows:

(1) Parent company is 0.

(2) Subsidiary starts from 1.

Note 2: The number of the relationship with the transaction counterparty represents the following:

(1) 1 represents downstream transactions.

(2) 2 represents upstream transaction.

Note 3: For balance sheet items, over 1% of total consolidated assets, and for profit or loss items, over 1% total consolidated revenue were selected for disclosure.

Note 4: The transactions have been eliminated upon consolidation.

(b) Information On Investees:

The following is the information on investees for the three months ended March 31, 2024 (excluding information on investees in China):

Name of Investor	Name of investee	Address	Scope of business	Original Cost		Ending balance			Net Income of Investee	Investment income (Losses)	Notes
				March 31, 2024	December 31, 2023	Shares	Percentage of ownership	Book value			
The Company	Machvision Inc.	Samoa	Investment	105,433	105,433	3,463,650	100.00%	80,552	(15,469)	(15,469)	1&2
The Company	Machvision Korea Co., Ltd.	Korea	Maintaining and trading of machinery equipment	21,542	21,542	10,000	100.00%	4,943	(1,167)	(1,167)	2&3
The Company	Machvision (Thailand)Co., Ltd.	Thailand	Maintaining and trading of machinery equipment	22,413	22,413	2,499,750	99.99%	21,845	426	426	2&3
The Company	Sissca Co., Ltd.	Taiwan	Manufacturing of optical inspection machinery equipment and computer peripheral products	123,348	123,348	11,477,463	52.86%	92,593	2,707	1,430	2&3

Note 1: The company is a limited company.

Note 2: The transactions within the Group were eliminated in the consolidated financial statements.

Note 3: The investment income was recognized under the equity method and based on the financial statements unreviewed by the auditor of the Company.

(c) Information on investments in China

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Units: NT$ thousand

Name of investment in China	Major operations	Issued capital	Method of Investment (Note 1)	Beginning remittance balance – cumulative investment (amount) from Taiwan	Current remittance / receivable investment (amount)		Ending remittance balance - cumulative investment (amount) from Taiwan	Net income of investee	Direct / indirect shareholdings or investments (%) in the Company	Current investment gains and losses (Note 3)	Book value (Note 2)	Remittance of investment income in current period
					Invested amount	Returned amount						
Machvision (Dongguan) Inc.	Maintaining and trading of machinery equipment	105,361	(2)i	105,361	-	-	105,361	(15,469)	100.00%	(15,469)	90,206	-
SiSSCA (JIANG SU) Co., Ltd.	Manufacturing of optical inspection machinery equipment	30,730	(4)i	30,730	-	-	30,730	(147)	52.86%	(78)	13,117	-

Note 1: The method of investment is divided into the following four categories:

(1) Remittance from third region companies to invest in Mainland China.

(2) Through the establishment of third region companies then investing in Mainland China.

i. Through the establishment of Machvision Inc. then investing in Mainland China.

(3) Through transferring the investment to third region existing companies then investing in Mainland China.

(4) Other methods: Ex: delegated investments.

i. Through the establishment of SISSCA Co., Ltd then investing in Mainland China.

Note 2: The transactions within the Group were eliminated in the consolidated financial statements.

Note 3:The investment income was recognized under the equity method and based on the financial statements unreviewed by the auditor of the Company.

(ii) Limitation on investment in Mainland China:

Company Name	Accumulated investment amount in Mainland China as of End of the Period	Investment (amount) approved by Investment Commission, Ministry of Economic Affairs	Maximum investment amount set by Investment Commission, Ministry of Economic Affairs
The Company	136,091	136,091	2,863,600 (Note 1)

Note 1: It represents 60% of the Company's net equity.

(iii) Significant transactions:

Please refer to details in the “Relationships between Parent Company and Subsidiaries and Significant Transactions” for the significant transactions directly or indirectly related to the investment in China for the three months ended March 31, 2024.

(d) Major shareholders:

Shareholding / Shareholder’ s Name	Shares	Percentage
Advanced Semiconductor Engineering, Inc.	13,418,000	23.07%

(14) Segment Information

The Group is mainly engaged in the manufacturing, trading and testing of optical inspection machinery equipment, as well as their related products. The operating decision maker focuses on the entirety of the Consolidated Company for the purpose of resource allocation and assessment performance. The Group is identified as a single reportable segment.

Information on reportable segments and reconciliation for the Consolidated Company is as follows:

		Taiwan	China	Adjustment and Elimination	Total
For the three months ended March, 2024					
Revenue:					
Revenue from external customers	$	209,877	57,705	-	267,582
Inter-segment revenue		36,909	15,738	(52,647)	-
Total revenue	**$**	**246,786**	**73,443**	**(52,647)**	**267,582**
Reportable segment profit or loss	**$**	**(4,367)**	**(15,813)**	**-**	**(20,180)**
For the three months ended March, 2023					
Revenue:					
Revenue from external customers	$	460,175	70,899	-	531,074
Inter-segment revenue or loss		50,685	24,481	(75,166)	-
Total revenue	**$**	**510,860**	**95,380**	**(75,166)**	**531,074**
Reportable segment profit or loss	**$**	**183,602**	**5,943**	**-**	**189,545**

For the three months ended March, 2024 and 2023, inter segment revenues of $52,647 thousand and $75,166 thousand, respectively, should be eliminated from total revenue.