Stock Code:3563

MACHVISION INC. CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Six Months Ended June 30, 2024 and 2023

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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 June 30, 2024 and 2023, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended June 30, 2024 and 2023, and for the six months ended June 30, 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 $224,800 thousand and $241,843 thousand respectively, both constituting 4% of the consolidated total assets; and the total liabilities amounting to $17,294 thousand and $15,439 thousand respectively, both constituting for 2% of the consolidated total liabilities as of June 30, 2024 and 2023, respectively; as well as the consolidated profits and losses for the three months and the six months ended June 30, 2024 and 2023, were $(11,511) thousand, $(11,277) thousand, $(9,514) thousand, and $(21,363) thousand respectively, constituting for (13)%, (7)%, (8)%, and (7)% of the consolidated profit and loss 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 June 30, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended June 30, 2024 and 2023, and for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG

Taipei, Taiwan (Republic of China)
July 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

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

(In Thousands of New Taiwan Dollars)

Assets	June 30, 2024 Amount	%	December 31, 2023 Amount	%	June 30, 2023 Amount	%
Current assets:						
Cash and cash equivalents (note 6(a))	$ 1,226,679	21	845,393	15	3,837,782	65
Financial assets at amortized cost - current (note 6(b))	2,940,111	51	3,240,111	56	-	-
Notes receivable (note 6(c) and (n))	40,443	1	56,439	1	52,469	1
Accounts receivable, net (note 6(c) and (n))	638,531	11	736,285	13	1,162,376	20
Accounts receivable — related parties (notes (c), (n) and 7)	6,141	-	855	-	3,857	-
Other receivable	9,299	-	7,632	-	7,098	-
Inventories (note 6(d))	285,589	5	260,811	5	307,039	5
Prepayments	20,562	-	16,258	-	12,338	-
Other current assets	6,061	-	3,030	-	1,448	-
Total current assets	5,173,416	89	5,166,814	90	5,384,407	91
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)	237,930	4	240,501	4	235,377	4
Right-of-use assets (note 6(g))	77,372	1	83,808	1	88,976	2
Deferred income tax assets	32,674	1	32,674	1	32,251	1
Refundable deposits	7,836	-	10,701	-	20,069	-
Long-term receivables (note 6(c) and (n))	271,910	5	205,063	4	115,617	2
Other non-current assets (note 8)	7,174	-	7,189	-	7,099	-
Total non-current assets	644,540	11	595,680	10	515,133	9
Total assets	$ 5,817,956	100	5,762,494	100	5,899,540	100

Liabilities and Equity	June 30, 2024 Amount	%	December 31, 2023 Amount	%	June 30, 2023 Amount	%
Current liabilities:						
Current contract liabilities (note 6(n))	$ 17,831	-	13,577	-	49,025	1
Notes payable	23	-	78	-	106	-
Accounts payable	141,734	3	103,751	2	196,435	3
Accounts payable— related parties (notes 7)	782	-	-	-	-	-
Other payables (note 6(o))	195,878	4	239,899	4	306,665	6
Dividend payable (note 6(l))	348,877	6	-	-	-	-
Current tax liabilities	24,595	-	86,010	2	72,044	1
Provisions - current (note 6(i))	8,282	-	11,953	-	14,938	-
Current lease liabilities (note 6(h))	6,172	-	9,607	-	11,823	-
Other current liabilities	44,338	1	33,675	1	24,914	-
Total current liabilities	788,512	14	498,550	9	675,950	11
Non-current liabilities:						
Deferred income tax liabilities	770	-	770	-	-	-
Non-current lease liabilities (note 6(h))	74,113	1	77,002	1	79,564	2
Net defined benefit liabilities	8,421	-	8,421	-	10,077	-
Total non-current liabilities	83,304	1	86,193	1	89,641	2
Total liabilities	871,816	15	584,743	10	765,591	13
Equity attributable to shareholders of the Company (note 6(l)):						
Share capital	581,462	10	581,462	10	447,282	8
Capital collected in advance	-	-	-	-	134,180	2
	581,462	10	581,462	10	581,462	10
Capital surplus:						
Additional paid-in capital	1,948,081	34	2,006,227	35	2,064,373	35
Other capital surplus	47	-	36	-	36	-
	1,948,128	34	2,006,263	35	2,064,409	35
Retained earnings:						
Legal reserve	646,265	11	635,881	11	603,511	10
Special reserve	5,985	-	7,076	-	4,046	-
Unappropriated retained earnings	1,683,339	29	1,866,356	32	1,797,919	30
	2,335,589	40	2,509,313	43	2,405,476	40
Other equity interest:						
Foreign currency translation differences for foreign operations	(1,316)	-	(5,985)	-	(7,076)	-
Total equity attributable to shareholders of the company	4,863,863	84	5,091,053	88	5,044,271	85
Non-controlling interests	82,277	1	86,698	2	89,678	2
Total equity	4,946,140	85	5,177,751	90	5,133,949	87
Total liabilities and equity	$ 5,817,956	100	5,762,494	100	5,899,540	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

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

	For the three months ended June 30				For the six months ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Operating revenue (note 6(n) and 7)	$ 311,610	100	578,553	100	579,192	100	1,109,627	100
Operating costs (notes 6(d), (f), (g), (h), (i) , (j), (o) and 7)	139,538	45	215,240	37	262,483	45	411,829	37
Gross profit	172,072	55	363,313	63	316,709	55	697,798	63
Operating expenses (notes 6(b), (e), (f), (g), (j), (o) and 7)								
Selling expenses	33,197	11	79,109	14	60,461	11	132,549	12
Administrative expenses	30,919	10	30,032	5	59,385	10	58,277	5
Research and development expenses	55,618	18	62,079	11	110,075	19	122,416	11
Expected credit impairment loss	(11,770)	(4)	13,285	2	42,860	8	16,203	2
Total operating expenses	107,964	35	184,505	32	272,781	48	329,445	30
Net operating income	64,108	20	178,808	31	43,928	7	368,353	33
Non-operating income and expenses (notes 6(h) and (p))								
Interest income	17,666	6	7,084	1	33,574	6	10,695	1
Other income	7,015	2	990	-	7,395	1	1,609	-
Other gains and losses	17,040	6	12,495	2	58,399	10	7,631	1
Finance costs	(289)	-	(560)	-	(577)	-	(1,479)	-
Total non-operating income and expenses	41,432	14	20,009	3	98,791	17	18,456	2
Profit before income tax from continuing operations	105,540	34	198,817	34	142,719	24	386,809	35
Less: Income tax expense (note 6(k))	23,390	8	37,159	6	30,431	5	73,274	7
Net profit for the period from operations	82,150	26	161,658	28	112,288	19	313,535	28
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss								
Exchange Differences on Translation of Foreign Financial Statements	3,133	1	(3,335)	(1)	4,967	1	(3,746)	-
Less: Income tax related to items that may be reclassified	-	-	-	-	-	-	-	-
Total of items that may be subsequently reclassified into profit or loss	3,133	1	(3,335)	(1)	4,967	1	(3,746)	-
Other comprehensive income for the period	3,133	1	(3,335)	(1)	4,967	1	(3,746)	-
Total comprehensive income for the period	**$ 85,283**	**27**	**158,323**	**27**	**117,255**	**20**	**309,789**	**28**
Net income attribute to:								
Owners of the parent company	$ 88,146	28	167,016	29	117,007	20	323,704	29
Non-controlling interests	(5,996)	(2)	(5,358)	(1)	(4,719)	(1)	(10,169)	(1)
	$ 82,150	**26**	**161,658**	**28**	**112,288**	**19**	**313,535**	**28**
Total comprehensive income attributed to:								
Owners of the parent company	$ 91,196	29	164,155	28	121,676	21	320,674	29
Non-controlling interests	(5,913)	(2)	(5,832)	(1)	(4,421)	(1)	(10,885)	(1)
	$ 85,283	**27**	**158,323**	**27**	**117,255**	**20**	**309,789**	**28**
Earnings Per Share (note 6(m))								
Basic earning per shares (Units: New Taiwan dollars)	**$**	**1.52**		**3.61**		**2.01**		**7.12**
Diluted earning per shares (Units: New Taiwan dollars)	**$**	**1.52**		**3.60**		**2.01**		**7.08**

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

(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
					Retained earnings				Other equity			
	Share capital	Capital collected in advance	Total	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	-	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:												
Legal reserve appropriated	-	-	-	-	25,002	-	(25,002)	-	-	-	-	-
Special reserve appropriated	-	-	-	-	-	43	(43)	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	-	-	(268,369)	(268,369)	-	(268,369)	-	(268,369)
Cash dividends by capital surplus	-	-	-	(89,457)	-	-	-	-	-	(89,457)	-	(89,457)
Other changes in capital surplus	-	-	-	5	-	-	-	-	-	5	-	5
Profit for the period	-	-	-	-	-	-	323,704	323,704	-	323,704	(10,169)	313,535
Other comprehensive income for the period	-	-	-	-	-	-	-	-	(3,030)	(3,030)	(716)	(3,746)
Total comprehensive income for the period	-	-	-	-	-	-	323,704	323,704	(3,030)	320,674	(10,885)	309,789
Issuance of common stock for cash	-	134,180	134,180	2,032,827	-	-	-	-	-	2,167,007	-	2,167,007
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,195)	(2,195)
Balance at June 30, 2023	**$ 447,282**	**134,180**	**581,462**	**2,064,409**	**603,511**	**4,046**	**1,797,919**	**2,405,476**	**(7,076)**	**5,044,271**	**89,678**	**5,133,949**
Balance at January 1, 2024	$ 581,462	-	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:												
Legal reserve appropriated	-	-	-	-	10,384	-	(10,384)	-	-	-	-	-
Special reserve appropriated	-	-	-	-	-	(1,091)	1,091	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	-	-	(290,731)	(290,731)	-	(290,731)	-	(290,731)
Cash dividends by capital surplus	-	-	-	(58,146)	-	-	-	-	-	(58,146)	-	(58,146)
Other changes in capital surplus	-	-	-	11	-	-	-	-	-	11	-	11
Profit(loss) for the period	-	-	-	-	-	-	117,007	117,007	-	117,007	(4,719)	112,288
Other comprehensive income for the period	-	-	-	-	-	-	-	-	4,669	4,669	298	4,967
Total comprehensive income for the period	-	-	-	-	-	-	117,007	117,007	4,669	121,676	(4,421)	117,255
Balance at June 30, 2024	**$ 581,462**	**-**	**581,462**	**1,948,128**	**646,265**	**5,985**	**1,683,339**	**2,335,589**	**(1,316)**	**4,863,863**	**82,277**	**4,946,140**

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

(In Thousands of New Taiwan Dollars)

	For the six months ended June 30	
Cash flows from operating activities	**2024**	**2023**
Profit before tax	$ 142,719	386,809
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	18,839	21,559
Impairment loss determined in accordance with IFRS9	42,860	16,203
Gains on financial assets at fair value through profit or loss	(2,927)	-
Interest expense	577	1,479
Interest income	(33,574)	(10,695)
Dividend income	-	(668)
Losses on disposal of property, plant and equipment	33	29
Losses on disposal of investment	4,638	290
Resulting gain from lease modification	(12)	(3,124)
Total adjustments to reconcile profit	30,434	25,073
Changes in operating assets and liabilities		
Changes in operating assets, net		
Notes receivable	15,996	7,868
Accounts receivable(including long-term accounts receivable)	(12,757)	(178,961)
Accounts receivable—related parties	(5,286)	(3,857)
Other accounts receivable	(997)	(136)
Inventories	(24,862)	23,941
Prepayments	(4,304)	(4,171)
Other current assets	(3,019)	1,013
Total changes in operating assets, net	(35,229)	(154,303)
Changes in operating liabilities, net		
Contract liabilities	4,254	13,175
Notes payable	(55)	(27)
Accounts payable	37,983	17,307
Accounts payable—related parties	782	-
Other payables	(47,412)	9,779
Provisions liabilities	(3,671)	1,964
Other current liabilities	10,675	(3,010)
Total changes in operating liabilities, net	2,556	39,188
Total changes in operating assets and liabilities, net	(32,673)	(115,115)
Total adjustments	(2,239)	(90,042)
Cash inflows generated from operations	140,480	296,767
Interest received	32,167	10,533
Income taxes paid	(91,899)	(124,149)
Net cash flow from operating activities	80,748	183,151
Cash flow used in investing activities		
Disposal of financial assets at amortized cost	300,000	-
Disposal of financial assets at fair value through profit or loss	9,027	-
Proceeds from disposal of subsidiaries	323	1,277
Acquisition of property, plant and equipment	(10,215)	(5,474)
Decrease in guarantee deposits paid	2,865	450
Decrease in other non-current assets	15	4,487
Dividends received	-	668
Net cash flows from investing activities	302,015	1,408
Cash flows from financing activities		
Payment of lease liabilities	(3,519)	(4,386)
Cash dividends	-	(357,826)
Issuance of common stock for cash	-	2,167,007
Interest paid	(2,224)	(3,818)
Surplus not paid due to overdue	11	5
Net cash flows (used in) from financing activities	(5,732)	1,800,982
Effect of exchange rate changes on cash and cash equivalents	4,255	(3,017)
Increase in cash and cash equivalents for the period	381,286	1,982,524
Cash and cash equivalents at the beginning of the period	845,393	1,855,258
Cash and cash equivalents at the end of the period	**$ 1,226,679**	**3,837,782**

See accompanying notes to consolidated financial statements.

<u>**Reviewed only, not audited in accordance with the generally accepted auditing standards**</u>

MACHVISION INC. CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
For the six months ended June 30, 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 June 30, 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 July 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 endorsed by the FSC but not yet effective

The Group assesses that the adoption of the (following) new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS21 "Lack of Exchangeability"

(c) 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"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards

(4) Summary of significant 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**	**June 30, 2024**	**December 31, 2023**	**June 30, 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%	1
The Company	Machvision (Thailand) Co., Ltd.	Maintaining and trading of machinery equipment	99.99%	99.99%	-%	2
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 June 30, 2024	December 31, 2023	June 30, 2023	Notes
Machvision (Dongguan) Inc.	Dongguan muxin intelligent equipment Co., Ltd	Maintaining and trading of machinery equipment	-%	-%	-%	3
SISSCA Co.,Ltd.	SiSSCA (JIANG SU) Co., Ltd.	Manufacturing of optical inspection machinery equipment	100.00%	100.00%	100.00%	

Note 1: The consolidated subsidiary applied for business closure in March 2024 and has received approval.

Note 2: 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 NT$22,413 thousand), and the establishment registration has been completed.

Note 3: The subsidiary had been liquidated in February 2023.

Note 4: 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

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand	$ 2,601	2,334	3,351
Saving deposits	602,838	351,838	2,698,186
Foreign currency deposits	123,240	176,991	200,657
Time deposits	498,000	314,230	935,588
Cash and cash equivalents per statements of cash flow	**$ 1,226,679**	**845,393**	**3,837,782**

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(k)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

	June 30, 2024	December 31, 2023	June 30, 2023
Time deposits	$ 2,940,111	3,240,111	-
Interest rate (%)	0.695~1.690	0.625~1.575	-
Maturity dates	Ranged from July 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

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	$ 40,443	56,439	52,469
Accounts receivable	740,797	794,876	1,203,914
Accounts receivable—related parties	6,141	855	3,857
Long-term accounts receivable	273,133	205,482	115,902
Less: allowance for impairment	102,266	58,591	41,538
unrealized interest income	1,223	419	285
	$ 957,025	998,642	1,334,319

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:

	June 30, 2024		
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	$ 615,194	0.0229%	141
1 to 90 days past due	176,410	0.3690%	651
91 to 180 days past due	98,987	1.5052%	1,490
181 to 270 days past due	51,838	7.2514%	3,759
271 to 365 days past due	31,133	33.7134%	10,496
Past due over 365 days	85,729	100.0000%	85,729
	$ 1,059,291		102,266

	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

	June 30, 2023			
	Gross carrying amount		Weighted-average expected credit loss rate	Loss allowance provision
Current	$	924,289	0.02940%	272
1 to 90 days past due		216,661	0.41540%	900
91 to 180 days past due		120,910	1.41760%	1,714
181 to 270 days past due		65,232	6.96280%	4,542
271 to 365 days past due		25,500	42.5294%	10,845
Past due over 365 days		23,265	100.0000%	23,265
	$	**1,375,857**		**41,538**

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

	For the six months ended June 30		
	2024		2023
Balance at the beginning of the period	$	58,591	25,660
Impairment losses recognized(reversed)		42,860	16,203
Foreign exchange gains(losses)		815	(325)
Balance at the end of the period	**$**	**102,266**	**41,538**

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:

	June 30, 2024		December 31, 2023	June 30, 2023
Merchandise and finished goods	$	56,461	42,999	53,510
Work in process		94,818	69,495	69,369
Raw material		134,310	148,317	184,160
Inventory in transit	**$**	**285,589**	**260,811**	**307,039**

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 June 30		For the six months ended June 30	
	2024	2023	2024	2023
Losses on decline in market value of inventory	$ (3,695)	1,288	(236)	521
Losses on inventory scrapping	47	5,703	47	5,703
Total	$ (3,648)	6,991	(189)	6,224

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

	June 30, 2024	December 31, 2023	June 30, 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
	$ 9,644	15,744	15,744

(f) Property, plant and equipment

The cost, depreciation, and impairment 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	3,058	4,179	1,144	1,834	10,215
Disposals	(26,748)	(1,256)	(2,491)	-	(30,495)
Reclassification	-		84		84
Effect of movement in exchange rates	1,144	11	121	-	1,276
Balance at June 30, 2024	$ 283,836	13,393	28,965	26,957	353,151
Balance at January 1, 2023	$ 306,359	11,656	31,967	11,640	361,622
Additions	570	2,088	2,816	-	5,474
Disposals	(1,011)	(502)	(1,458)	-	(2,971)
Reclassification	-	(108)	50		(58)
Effect of movement in exchange rates	(1,215)	1	(154)	-	(1,370)
Balance at June 30, 2023	$ 304,703	13,133	33,221	11,640	362,697
Depreciation:					
Balance at January 1, 2024	$ 108,776	6,006	16,788	-	131,570
Depreciation	9.004	1,310	3,235	-	13,549
Disposals	(26,748)	(1,256)	(2,458)	-	(30,462)
Effect of movement in exchange rates	512	1	51	-	564
Balance at June 30, 2024	$ 91,544	6,061	17,616	-	115,221
Balance at January 1, 2023	$ 93,735	6,125	16,780	-	116,640
Depreciation	8,970	1,712	3,637	-	14,319
Disposals	(1,011)	(502)	(1,429)	-	(2,942)
Reclassification	-	(13)	(45)		(58)
Effect of movement in exchange rates	(578)	-	(61)	-	(639)
Balance at June 30, 2023	$ 101,116	7,322	18,882	-	127,320
Carrying amounts:					
January 1, 2024	$ 197,606	4,453	13,319	25,123	240,501
June 30, 2024	$ 192,292	7,332	11,349	26,957	237,930
January 1, 2023	$ 212,624	5,531	15,187	11,640	244,982
June 30, 2023	$ 203,587	5,811	14,339	11,640	235,377

(g) 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
Lease modification		-	(2,126)	(2,176)
Reduction		(2,996)	-	(2,996)
Effect of changes in foreign exchange rates		78	89	167
Balance at June 30, 2024	**$**	**104,809**	**31,086**	**135,895**
Balance at January 1, 2023	$	272,064	26,424	298,488
Additions		3,278	6,999	10,277
Lease modification		(164,886)	(3,496)	(168,382)
Effect of changes in foreign exchange rates		(282)	-	(282)
Balance at June 30, 2023	**$**	**110,174**	**29,927**	**140,101**
Accumulated depreciation:				
Balance at January 1, 2024	$	30,769	26,323	57,092
Depreciation		3,255	2,035	5,290
Lease modification		-	(967)	(967)
Effect of changes in foreign exchange rates		44	60	104
Balance at June 30, 2024	**$**	**31,072**	**27,451**	**58,523**
Balance at January 1, 2023	$	24,274	20,910	45,184
Depreciation		4,780	2,460	7,240
Lease modification		-	(1,165)	(1,165)
Effect of changes in foreign exchange rates		(134)	-	(134)
Balance at June 30, 2023	**$**	**28,920**	**22,205**	**51,125**
Carrying amounts:				
January 1, 2024	**$**	**76,958**	**6,850**	**83,808**
June 30, 2024	**$**	**73,737**	**3,635**	**77,372**
January 1, 2023	**$**	**247,790**	**5,514**	**253,304**
June 30, 2023	**$**	**81,254**	**7,722**	**88,976**

(h) Lease liabilities

The Group's lease liabilities were as follow:

	June 30, 2024	December 31, 2023	June 30, 2023
Current	$ 6,172	9,607	11,823
Non-current	$ 74,113	77,002	79,564

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

The amounts recognized in profit or losses were as follows.

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Interest on lease liabilities	$ 289	560	577	1,479
Expenses relating to short-term leases	$ 1,329	2,009	2,827	4,227
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ 2	115	71	197

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

	For the six months ended June 30	
	2024	2023
Total cash outflow for leases	$ 8,641	12,628

(i) Provisions

	June 30, 2024	December 31, 2023	June 30, 2023
Warranty	$ 8,282	11,953	14,938

There were no significant changes in provisions of the Group for the six months ended June 30, 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 June 30		For the six months ended June 30	
	2024	2023	2024	2023
Operating cost	$ 27	28	57	45
Operating expenses	26	42	57	73
Total	$ 53	70	114	118

2. Defined contribution plans

The Group's expenses under the pension plan cost to the Bureau of Labor Insurance were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Operating cost	$ 2,270	2,224	4,287	4,462
Operating expenses	2,702	2,685	5,682	5,436
Total	$ 4,972	4,909	9,969	9,898

(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 June 30		For the six months ended June 30	
	2024	2023	2024	2023
Current income tax expense				
Current tax expense recognized in the current period	$ 21,307	37,680	28,348	73,795
Income tax adjustments on prior years	2,083	(521)	2,083	(521)
Income tax expense	$ 23,390	37,159	30,431	73,274

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 six months ended June 30, 2024 and 2023. The relevant liability is referred to in note 6 (m) of the consolidated financial report of 2023.

(i) Ordinary shares

In order to enrich the working capital and in response to the future of business development, a resolution was passed during the general meeting of shareholders held on May 25, 2023 for the issuance of ordinary shares for cash under private placement. Subsequently, a resolution was passed during the board meeting held on June 7, 2023 for the issuance of 13,418 thousand ordinary shares under private placement, with the par value of $10 per share, with an issue price of $161.5 per share, amounting to $2,167,007 thousand, with June 21, 2023 as the date of capital increase. After the capital increase, the capital was $581,462 thousand. The relevant statutory registration procedures have since been completed on July 6, 2023.

The aforementioned private placement of ordinary shares and the transfer of any subsequently obtained bonus shares would be subject to section 43(8) requirements under the Securities and Exchange Act. The Company can only apply for these shares to be traded on the Taiwan Stock Exchange after a three-year period has elapsed from the delivery date of the private placement securities, and after applying for a public offering with the Financial Supervisory Commission.

(ii) Retained earnings

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

	From January 1 to June 30, 2024
Resolution date of the board meeting	**On July 30, 2024**
Dividends distributed to ordinary stockholders:	
Cash－Retained earnings	$ 58,146
Cash－Capital surplus	-
Total amounts	**$ 58,146**
Amount per share (NTD)	**$ 1.00**

	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 June 30		For the six months ended June 30	
	2024	2023	2024	2023
Net income attributable to ordinary shareholders of the Company	$ 88,146	167,016	117,007	323,704
Weighted average number of ordinary shares	58,146	46,203	58,146	45,469
Basic earnings per share (NTD)	$ 1.52	3.61	2.01	7.12

(ii) Diluted earnings per share

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Net income attributable to ordinary shareholders of the Company (diluted)	$ 88,146	167,016	117,007	323,704
Weighted average number of ordinary shares (basic)	58,146	46,203	58,146	45,469
Effect of potential ordinary shares				
Employees' compensation	23	135	54	237
Weighted-average number of ordinary shares (diluted)	58,169	46,338	58,200	45,706
Diluted earnings per share (in NTD)	$ 1.52	3.60	2.01	7.08

(n) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended June 30, 2024		
	Taiwan	China	Total
Primary geographical markets:			
Taiwan	$ 85,782	-	85,782
China	91,870	89,617	181,487
Others	44,341	-	44,341
	$ 221,993	89,617	311,610
Primary merchandises/services lines:			
Sale of optical inspection machinery equipment	$ 203,941	42,068	246,009
Revenue from services	18,052	47,549	65,601
	$ 221,993	89,617	311,610

	For the three months ended June 30, 2023		
	Taiwan	China	Total
Primary geographical markets:			
Taiwan	$ 278,648	-	278,648
China	167,859	93,810	261,669
Others	38,236	-	38,236
	$ 484,743	93,810	578,553
Primary merchandises/services lines:			
Sale of optical inspection machinery equipment	$ 471,408	61,605	533,013
Revenue from services	13,335	32,205	45,540
	$ 484,743	93,810	578,553

	For the six months ended June 30, 2024		
	Taiwan	China	Total
Primary geographical markets:			
Taiwan	$ 125,920	-	125,920
China	252,367	147,322	399,689
Others	53,583	-	53,583
	$ 431,870	147,322	579,192
Primary merchandises/services lines:			
Sale of optical inspection machinery equipment	$ 406,680	60,947	467,627
Revenue from services	25,190	86,375	111,565
	$ 431,870	147,322	579,192

	For the six months ended June 30, 2023		
	Taiwan	China	Total
Primary geographical markets:			
Taiwan	$ 344,263	-	344,263
China	516,012	164,709	680,721
Others	84,643	-	84,643
	$ 944,918	164,709	1,109,627
Primary merchandises/services lines:			
Sale of optical inspection machinery equipment	$ 917,216	102,560	1,019,776
Revenue from services	27,702	62,149	89,851
	$ 944,918	164,709	1,109,627

(ii) Contract Balance

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	$ 40,443	56,439	52,469
Accounts receivable	740,797	794,876	1,203,914
Accounts receivable—Related parties	6,141	855	3,857
Long-term accounts receivable	273,133	205,482	115,902
Less: allowance loss	102,266	58,591	41,538
unrealized interest income	1,223	419	285
Total	$ 957,025	998,642	1,334,319
Contract liabilities--advance receipts	$ 17,831	13,577	49,025

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 six months ended June 30, 2024 and 2023 that were included in the contract liability balance at the beginning of the period were $7,671 thousand and $34,948 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 amounted to $7,152 thousand, $16,010 thousand, $9,048 thousand, and $31,218 thousand, respectively, for the three-month period ended June 30, 2024 and 2023. The remunerations to directors amounted to $866 thousand, $2,007 thousand, $980 thousand, and $3,913 thousand, respectively, for the six-month period ended June 30, 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 June 30		For the six months ended June 30	
	2024	**2023**	**2024**	**2023**
Bank deposits	$ 18,142	6,990	34,329	10,434
Others	(476)	94	(755)	261
Total	**$ 17,666**	**7,084**	**33,574**	**10,695**

(ii) Other income

	For the three months ended June 30		For the six months ended June 30	
	2024	**2023**	**2024**	**2023**
Dividends	$ -	668	-	668
Others	7,015	322	7,395	941
Total	**$ 7,015**	**990**	**7,395**	**1,609**

(iii) Other gains and losses

	For the three months ended June 30		For the six months ended June 30	
	2024	**2023**	**2024**	**2023**
Losses on disposals of property, plant and equipment	$ (16)	(27)	(33)	(29)
Loss on disposal of investments	-	(198)	(4,638)	(290)
Gains on lease modification	12	3,124	12	3,124
Foreign exchange gains	17,158	9,800	60,265	5,032
Gains on financial assets at fair value through profit or loss	-	-	2,927	-
Others	(114)	(204)	(134)	(206)
Other gains and losses, net	**$ 17,040**	**12,495**	**58,399**	**7,631**

(iv) Finance costs

	For the three months ended June 30		For the six months ended June 30	
	2024	2023	2024	2023
Interest expenses	$ 289	560	577	1,479

(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.

(i) Credit risk

The credit receivable account of the credit risk Group in June 30, 2024, December 31, 2023 and June 30, 2023 was concentrated on single customers, accounting for 24%, 21% and 25% of the receivable and accounts receivable (including long-term receivables) respectively.

(ii) 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
June 30, 2024					
Non-derivative financial liabilities					
Notes payable	$ 23	23	23	-	-
Accounts payable(including related parties)	142,516	142,516	142,516	-	-
Other payables	195,878	195,878	195,878	-	-
Dividend payable	348,877	348,877	348,877	-	-
Lease liabilities (including non-current)	80,285	105,358	6,174	11,131	88,053
	$ 767,579	792,652	693,468	11,131	88,053

	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
June 30, 2023						
Non-derivative financial liabilities						
Notes payable	$	106	106	106	-	-
Accounts payable(including related parties)		196,435	196,435	196,435	-	-
Other payables		306,665	306,665	306,665	-	-
Lease liabilities (including non-current)		91,387	117,776	11,825	15,495	90,456
	$	594,593	620,982	515,031	15,495	90,456

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

(iii)Market risk

(1) Currency risk

The Group's significant exposure to foreign currency risk was as follows:

		Foreign currency	Exchange rate	NTD
June 30, 2024				
Financial Assets				
Monetary items				
USD	$	18,929	32.4500	614,232
CNY		100,536	4.4450	446,881
Financial liabilities				
Monetary items				
USD	$	1,544	32.4500	50,098
CNY		15,957	4.4450	70,928
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

		Foreign currency	Exchange rate	NTD
June 30, 2023				
Financial Assets				
Monetary items				
USD	$	29,397	31.1400	915,438
CNY		135,966	4.2820	582,206
Financial liabilities				
Monetary items				
USD	$	2,413	31.1400	75,155
CNY		18,656	4.2820	79,886

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 June 30, 2024 and 2023, would have increased or decreased the net profit after tax by $22,562 thousand and $32,222 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 June 30, 2024 and 2023, foreign exchange gains (losses) (including realized and unrealized portion) amounted to $17,158 thousand and $9,800 thousand, and for the six months ended June 30, 2024 and 2023 amounted to $60,265 thousand and $5,032 thousand, respectively.

(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 interest rate had increased or decreased by 1%, in the event that all other variables remain unchanged, the Group of tax net profit will increase or decrease $20,857 thousand and

$19,208 thousand, respectively for the six months ended June 30, 2024 and 2023, respectively, with all other variable factors remain constant. This is mainly due from the Group's cash in bank and borrowing on variable rates.

(iv) Fair value

(1) Categories and fair value of financial instruments

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	June 30, 2024				
		Fair value			
	Carrying amounts	**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				
		Fair value			
	Carrying amounts	**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

	June 30, 2023				
		Fair value			
	Carrying amounts	**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 uses observable market inputs for measuring its assets and liabilities as much as possible. The fair value levels are classified as follows according to the input values for the assessment:

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

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

C. Level 3: Inputs are unobservable inputs for an asset or liability.

No transfers between the Group's fair value levels.

(4) Reconciliation of level 3 fair values

	Unquoted equity instruments
Balance at January 1, 2024	$ 15,744
Recognized in profit or loss	2,927
Disposals	(9,027)
Balance at June 30, 2024	$ 9,644
Balance at June 30, 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 June 30, 2024, December 31, 2023 and June 30, 2023 were 2.01, 2.01~2.4 and 1.66~1.96, respectively) • P/E ratio (As of June 30, 2024, December 31, 2023 and June 30, 2023 were 14.94, 14.94~17.94 and 7.83~11.13, respectively) • Market illiquidity discount rate (As of June 30, 2024, December 31, 2023 and June 30, 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

The Group's measurement on the fair of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. 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	Unfavorable
June 30, 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)
June 30, 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:

	June 30, 2024	December 31, 2023	June 30, 2023
Liabilities	$ 871,816	584,743	765,591
Less: cash and cash equivalents	1,226,679	845,393	3,837,782
Net liabilities	$ (354,863)	(260,650)	(3,072,191)
Total equity	$ 4,946,140	5,177,751	5,133,949
Debt-to-capital ratio	- %	- %	- %

As of June 30, 2024, there was no change in the Group's approach of capital management.

(t) Non-cash transaction in investing activities and financing activities

The Group did not have any non-cash investing and financing activities during the period from

January 1, 2024 to June 30, 2024. The non-cash investing and financing activities during the period from January 1, 2023 to June 30, 2023 consisted of the acquisition of 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: Increase in right-of-use assets	Lease Modification	Foreign exchange movement	Interest expenses	June 30, 2024
Lease liabilities	$ 86,609	(5,743)	-	(1,221)	63	577	80,285
Total liabilities from financing activities	**$ 86,609**	**(5,743)**	**-**	**(1,221)**	**63**	**577**	**80,285**

	January 1, 2023	Cash flows	Non-cash adjustments: Increase in right-of-use assets	Lease Modification	Foreign exchange movement	Interest expenses	June 30, 2023
Lease liabilities	$ 258,326	(8,204)	10,277	(170,341)	(150)	1,479	91,387
Total liabilities from financing activities	**$ 258,326**	**(8,204)**	**10,277**	**(170,341)**	**(150)**	**1,479**	**91,387**

(7) Related-party Transactions

(a) Parent Company and the ultimate controller

The Company is the ultimate controller of the Company and its subsidiaries.

(b) Related party name and categories

Related parties with transactions containing the financial statement period to the Company were as follows:

Related Party Name	Related Party Categories
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 transaction between related parties

(i) Operating revenue

The amounts of significant sales transactions between the Group and related parties were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2024	**2023**	**2024**	**2023**
Significant influence	**$ 2,244**	**-**	**19,270**	**-**

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 of goods

The amounts of purchases between the Group and related parties were as follows:

		For the three months ended June 30		For the six months ended June 30	
		2024	2023	2024	2023
Significant influence	$	-	-	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 amounts of the design and mold fee between the Group and related parties were as follows:

		For the three months ended June 30		For the six months ended June 30	
		2024	2023	2024	2023
Significant influence	$	746	-	752	-

(iv) Receivables from related parties

The Company's receivables from related parties were as follows:

Items	Related Party Categories		June 30, 2024	December 31, 2023	June 30, 2023
Receivables from related parties	Significant influence	$	6,141	855	3,857

(v) Payables to related parties

The Company's payable to related parties were as follows:

Items	Related Party Categories		June 30, 2024	December 31, 2023	June 30, 2023
Payables to related parties	Significant influence	$	782	-	-

(d) Key management personnel

The compensation of the key management personnel comprised the following:

		For the three months ended June 30		For the six months ended June 30	
		2024	2023	2024	2023
Short-term employee benefits	$	6,846	9,059	13,313	21,163
Post-employment benefits		81	108	162	216
	$	6,927	9,167	13,475	21,379

(8) Assets Pledged as security

The book value of pledged assets was as follows:

Pledged assets	Object asset		June 30, 2024	December 31, 2023	June 30, 2023
Other non-current assets:					
Time deposits	Guarantee for customs	$	1,514	1,506	1,506
Time deposits	Guarantee for the Hsinchu Science Park Bureau		5,660	5,615	5,593
		$	7,174	7,121	7,099

(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 June 30, 2024, 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 June 30, 2024			For the three months ended June 30, 2023		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits						
Salaries	31,246	65,192	96,438	36,880	79,834	116,714
Labor and health insurance	2,474	4,947	7,421	2,811	4,654	7,465
Pension	2,267	2,758	5,025	2,247	2,722	4,969
Directors' remuneration	-	866	866	-	2,007	2,007
Other employee benefits	4,966	8,486	13,452	5,189	7,196	12,385
Depreciation	2,270	7,016	9,286	2,122	8,447	10,569
Amortization	-	-	-	-	-	-

Function / Item	For the six months ended June 30, 2024			For the six months ended June 30, 2023		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits						
Salaries	65,691	126,997	192,688	71,321	159,641	230,962
Labor and health insurance	5,302	9,706	15,008	5,567	9,604	15,171
Pension	4,314	5,769	10,083	4,502	5,504	10,006
Directors' remuneration	-	980	980	-	3,913	3,913
Other employee benefits	7,914	13,095	21,009	10,421	14,911	25,332
Depreciation	4,523	14,316	18,839	4,227	17,332	21,559
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 June 30, 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	June 30, 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:

Company Name	Related Party	Nature of relationships	Balances	Turnover rate	Overdue		Amount Received in Subsequent	Allowance for Impairment Loss
					Amount	Action Taken		
The Company	Machvision (Dongguan) Inc.	Subsidiaries	387,732	0.30	174,601	Depends on the end customer's credit period	45,727 (As of July 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	Amount	Trading terms	Percentage of the total consolidated revenue or total assets
0	The Company	Machvision (Dongguan) Inc.	1	Operating revenue	61,297	Depends on the Group overall profit allocation	10.58%
0	The Company	SISSCA Co.,Ltd.	1	Other revenue	7,597	Depends on the Group overall profit allocation	1.31%
0	The Company	Machvision (Dongguan) Inc.	1	Operating cost	37,680	Depends on the Group overall profit allocation	6.51%
0	The Company	SISSCA Co.,Ltd.	1	Operating cost	15,860	Depends on the Group overall profit allocation	2.74%
0	The Company	Machvision (Dongguan) Inc.	1	Accounts receivable – related parties (including long-term accounts receivable)	387,732	Depends on the end customer's credit period	6.66%
0	The Company	Machvision (Dongguan) Inc.	1	Other payables – related parties	76,099	Depends on capital budgeting	1.31%

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 within the Group were eliminated in the consolidated financial statements.

(b) Information On Investees:

The following is the information on investees for the six months ended June 30, 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)	Note
				June 30, 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%	105,907	7,358	7,358	1&2
The Company	Machvision Korea Co., Ltd.	Korea	Maintaining and trading of machinery equipment	-	21,542	-	-%	-	(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%	21,082	(404)	(404)	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%	85,964	(10,012)	(5,293)	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 audited by the auditor of the Company.

(c) Information on investments in Mainland 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	7,357	100%	7,357	114,123	-
SISSCA (JIANG SU) Co., Ltd.	Manufacturing of computer peripheral products	30,730	(4)i	30,730	-	-	30,730	(4,649)	52.86%	(2,457) Note3	10,830	-

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 recognition of investment gains and losses in this period is based on the same period that the invested company prepares its own financial reports that have not been approved by the accountant, and the evaluation of the rights and interest's method is adopted.

(ii) Limitation on investment in Mainland China:

Company name	Accumulated investment amount in Mainland China as of June 30, 2024	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	2,918,318 (Note)

Note: 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 June 30, 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 June 30, 2024				
Revenue:				
Revenue from external customers	$ 221,993	89,617	-	311,610
Inter-segment revenue	43,532	22,207	(65,739)	-
Total revenue	**$ 265,525**	**111,824**	**(65,739)**	**311,610**
Reportable segment revenue or loss	**$ 39,125**	**24,983**	**-**	64,108
Non-operating income and expenses				41,432
Profit before income tax from continuing operations				**$ 105,540**

	Taiwan	China	Adjustment and Elimination	Total
For the three months ended June 30, 2023				
Revenue:				
Revenue from external customers	$ 484,743	93,810	-	578,553
Inter-segment revenue or loss	58,956	30,228	(89,184)	-
Total revenue	**$ 543,699**	**124,038**	**(89,184)**	**578,553**
Reportable segment revenue or loss	**$ 169,784**	**9,024**	**-**	178,808
Non-operating income and expenses				20,009
Profit before income tax from continuing operations				**$ 198,817**

	Taiwan	China	Adjustment and Elimination	Total
For the six months ended June 30, 2024				
Revenue:				
Revenue from external customers	$ 431,870	147,322	-	579,192
Inter-segment revenue	80,441	37,945	(118,386)	-
Total revenue	**$ 512,311**	**185,267**	**(118,386)**	**579,192**
Reportable segment revenue or loss	**$ 34,758**	**9,170**	**-**	43,928
Non-operating income and expenses				98,791
Profit before income tax from continuing operations				**$ 142,719**

		Taiwan	China	Adjustment and Elimination	Total
For the six months ended June 30, 2023					
Revenue:					
Revenue from external customers	$	944,918	164,709	-	1,109,627
Inter-segment revenue		109,641	54,709	(164,350)	-
Total revenue	**$**	**1,054,559**	**219,418**	**(164,350)**	**1,109,627**
Reportable segment revenue or loss	**$**	**353,386**	**14,967**	**-**	368,353
Non-operating income and expenses					18,456
Profit before income tax from continuing operations					**$ 386,809**

For the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023, the total revenue of the reportable segment should exclude the inter-segment revenue of $65,739 thousand, $89,184 thousand, $118,386 thousand and $164,350 thousand, respectively.