

Stock Code: 3577

ICP DAS Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30,
2024 and 2023 and Independent Auditors' Review Report

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Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. 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' report and consolidated financial statements shall prevail.

ICP DAS Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2024 and 2023 and

Independent Auditors' Review Report

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INDEPENDENT AUDITORS' REVIEW REPORT

(2024) Financial Audit Report No. 24001115.

ICP DAS Co., Ltd.,

Preface

The consolidated balance sheets of ICP DAS Co., Ltd. and its subsidiaries as of June 30, 2023, and 2024, as well as the consolidated statements of comprehensive income for three months ended June 30, 2023, and 2024, and for the six months ended June 30, 2024, and 2023, and consolidated statements of changes in equity, consolidated statement of cash flows, and the note of the consolidated financial statements (including a summary of significant accounting) for the six months ended June 30, 2024, and 2023, have been audited by us. The accountants are responsible for forming a conclusion on these consolidated financial statements based on the review results in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting," as endorsed and made effective by the Financial Supervisory Commission.

Scope of Review

We conducted this review in accordance with ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." The procedures performed in a review of the consolidated financial statements involve making inquiries (primarily of individuals responsible for financial and accounting matters) and applying analytical and other review procedures. Since the scope of a review is smaller than that of an audit, the accountants may not detect all significant matters that could be identified through an audit. Therefore, we can not express audit opinions.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe the consolidated financial statements have not been prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting," as endorsed and put into effect by the Financial Supervisory Commission, in a manner that would present a fair consolidated financial position of ICP DAS Co., Ltd. and its subsidiaries as of June 30, 2023, and 2024, the consolidated financial performance for the three months ended June 30, 2023, and 2024, and for the six months ended June 30, 2024, and 2023, and the consolidated cash flows for the six months ended June 30, 2024, and 2023.

PWC Taiwan

CPA

Wu, Wei-Hao

Cheng, Ya-Hui

Approved by the Financial Supervisory Commission
Financial Supervisory Commission Securities Examination No. 1080323093.
Former Financial Supervisory Commission, Executive Yuan, Securities and
Futures Bureau, Approval Verification Number:
Financial Supervisory Commission Securities No. 0960072936

August 6, 2024

Notice to Reader

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ICP DAS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

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

Unit: NT\$ Thousand

Assets			June 30, 2024		December 31, 2023		June 30, 2023	
			Amount	%	Amount	%	Amount	%
Current Assets								
1100	Cash and Cash Equivalents	6(1)	\$ 135,011	8	\$ 91,238	5	\$ 80,019	5
1150	Net Notes Receivable	6(2)	6,621	1	5,287	-	6,520	-
1170	Net Accounts Receivable	6(2)	122,781	7	91,101	5	73,458	4
1200	Other Receivables		478	-	39	-	744	-
130X	Inventories	6(3)	551,215	33	631,908	38	684,763	40
1410	Prepayments		10,265	1	7,753	1	14,165	1
11XX	Total Current Assets		826,371	50	827,326	49	859,669	50
Non-Current Assets								
1517	Financial assets measured at fair value through other comprehensive income-Non-current	6(4)						
			17,376	1	16,307	1	14,944	1
1600	Property, Plant, and Equipment	6(5) and 8	714,741	43	731,094	44	736,597	43
1755	Right-of-use Asset	6(6)	31,551	2	33,327	2	31,928	2
1760	Net Investment Property	6(7) and (8)	7,383	-	7,400	-	7,535	-
1780	Intangible Assets		3,260	-	3,403	-	3,375	-
1840	Deferred Tax Assets	6(24)	47,766	3	43,378	3	42,758	3
1900	Other Non-Current Assets	6(9) and 7	15,482	1	15,379	1	15,202	1
15XX	Total Non-Current Assets		837,559	50	850,288	51	852,339	50
1XXX	Total Assets		\$ 1,663,930	100	\$ 1,677,614	100	\$ 1,712,008	100

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	Liabilities and Equity	Note	June 30, 2024		December 31, 2023		June 30, 2023	
			Amount	%	Amount	%	Amount	%
	Current Liabilities							
2100	Short-Term Debt	6(10)	\$ 70,000	4	\$ 120,000	7	\$ 120,000	7
2130	Contract liability-Current	6(18)	12,108	1	7,236	1	5,811	1
2170	Accounts payable		34,131	2	37,899	2	69,077	4
2200	Other Payables	6(11)	166,908	10	88,164	5	210,442	12
2230	Current Tax Liabilities	6(24)	15,229	1	31,435	2	16,731	1
2280	Lease Liabilities-Current	6(6)	3,227	-	3,811	-	2,585	-
2320	Long-term liabilities due within one year or operating cycle	6(12)	-	-	-	-	16,000	1
2399	Other current liabilities-others		7,363	1	9,387	1	3,114	-
21XX	Total current liabilities		<u>308,966</u>	<u>19</u>	<u>297,932</u>	<u>18</u>	<u>443,760</u>	<u>26</u>
	Non-current liabilities							
2540	Long-Term Debt	6(12)	70,000	4	70,000	4	-	-
2570	Deferred income tax liabilities	6(24)	1,428	-	1,214	-	942	-
2580	Lease liabilities- Non-current	6(6)	936	-	2,063	-	1,391	-
2640	Net defined benefit liability — Non-current	6(13)	32,218	2	32,108	2	46,304	3
2670	Other non-current liabilities-others		431	-	641	-	634	-
25XX	Total Non-Current Liabilities		<u>105,013</u>	<u>6</u>	<u>106,026</u>	<u>6</u>	<u>49,271</u>	<u>3</u>
2XXX	Total Liabilities		<u>413,979</u>	<u>25</u>	<u>403,958</u>	<u>24</u>	<u>493,031</u>	<u>29</u>
	Equity Attributable to Owners of the Parent Company							
	Share capital	6(14)						
3110	Capital - common stock		639,657	39	639,657	38	581,506	34
3150	Stock Dividends to be Distributed		-	-	-	-	58,151	4
	Capital Surplus	6(15)						
3200	Capital Surplus		68,630	4	68,630	4	68,630	4
	Retained earnings	6(16)						
3310	Statutory surplus reserve		198,441	12	189,271	11	189,271	11
3320	Special reserve		4,882	-	4,549	-	4,549	-
3350	Undistributed surplus		339,658	20	376,431	23	323,941	19
	Other equity interest	6(17)						
3400	Other equity interest		(1,317)	-	(4,882)	-	(7,071)	(1)
31XX	Total Equities Attributable to Owners of Parent Company		<u>1,249,951</u>	<u>75</u>	<u>1,273,656</u>	<u>76</u>	<u>1,218,977</u>	<u>71</u>
3XXX	Total Equity		<u>1,249,951</u>	<u>75</u>	<u>1,273,656</u>	<u>76</u>	<u>1,218,977</u>	<u>71</u>
	Significant Commitments and Contingencies	9(2)						
3X2X	Total Liabilities and Equity		<u>\$ 1,663,930</u>	<u>100</u>	<u>\$ 1,677,614</u>	<u>100</u>	<u>\$ 1,712,008</u>	<u>100</u>

The notes to the consolidated financial statements are an integral part of these consolidated financial reports.

Please refer to them together.

Chairman: Yeh, Nai-Ti

Managerial Officer: Cheng, Shu-Fa

Accounting Manager: Cheng, Pi-Yu

ICP DAS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Six Months Ended June 30, 2024 and 2023

Unit: NT\$ Thousand (Except for earnings per share in NT\$)

Items	Note	For the Three Months Ended June 30, 2024		For the Three Months Ended June 30, 2023		For the Six Months Ended June 30, 2024		For the Six Months Ended June 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating Revenue	6(18)	\$ 251,690	100	\$ 216,668	100	\$ 486,545	100	\$ 487,989	100
5000 Operating Costs	6(3)(22)(23)	(109,804)	(44)	(108,625)	(50)	(231,338)	(47)	(227,577)	(46)
5900 Gross Profit		<u>141,886</u>	<u>56</u>	<u>108,043</u>	<u>50</u>	<u>255,207</u>	<u>53</u>	<u>260,412</u>	<u>54</u>
Operating Expenses	6(22)(23) and 7								
6100 Selling Expenses		(32,142)	(13)	(33,407)	(15)	(62,285)	(13)	(64,375)	(13)
6200 Administrative expenses		(26,408)	(10)	(25,598)	(12)	(51,893)	(11)	(51,932)	(11)
6300 Research and Development Expense		(53,076)	(21)	(47,882)	(22)	(103,714)	(21)	(97,091)	(20)
6450 Expected credit impairment gains		<u>17</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>81</u>	<u>-</u>
6000 Total operating expenses		(111,609)	(44)	(106,875)	(49)	(217,879)	(45)	(213,317)	(44)
Other income and net expenses and losses									
6500 Other income and net expenses and losses	6(8)(19)	<u>541</u>	<u>-</u>	<u>581</u>	<u>-</u>	<u>977</u>	<u>-</u>	<u>1,064</u>	<u>-</u>
6900 Operating income		<u>30,818</u>	<u>12</u>	<u>1,749</u>	<u>1</u>	<u>38,305</u>	<u>8</u>	<u>48,159</u>	<u>10</u>
Non-operating revenue and expenses									
7100 Interest Revenue		328	-	332	-	425	-	428	-
7010 Other Revenue	6(20)	2,614	1	263	-	5,528	1	1,673	-
7020 Other Gains and Losses	6(21)	1,316	1	1,304	-	3,918	1	212	-
7050 Financial Costs	6(10)(12)	(907)	-	(805)	-	(1,912)	(1)	(1,665)	-
7000 Total Non-Operating Income and Expenses		<u>3,351</u>	<u>2</u>	<u>1,094</u>	<u>-</u>	<u>7,959</u>	<u>1</u>	<u>648</u>	<u>-</u>
7900 Net Profit Before Tax		<u>34,169</u>	<u>14</u>	<u>2,843</u>	<u>1</u>	<u>46,264</u>	<u>9</u>	<u>48,807</u>	<u>10</u>
7950 Income Tax Expense	6(24)	(7,149)	(3)	(408)	-	(9,568)	(2)	(9,601)	(2)
8200 Net Profit for the Period		<u>\$ 27,020</u>	<u>11</u>	<u>\$ 2,435</u>	<u>1</u>	<u>\$ 36,696</u>	<u>7</u>	<u>\$ 39,206</u>	<u>8</u>

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Items	Note	For the Three Months Ended June 30, 2024		For the Three Months Ended June 30, 2023		For the Six Months Ended June 30, 2024		For the Six Months Ended June 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
Other Comprehensive Income (Net)									
Items that will not be reclassified to profit or loss									
8316 Unrealized gains or losses on equity instrument investments measured at fair value through other comprehensive income	6(17)	\$ 660	-	(\$ 539)	-	\$ 855	-	\$ 489	-
8310 Total of items that will not be reclassified to profit or loss		660	-	(539)	-	855	-	489	-
Items that may be subsequently reclassified to profit or loss									
8361 Exchange differences on translation of foreign financial statements	6(17)	837	-	(3,597)	(2)	2,710	1	(3,011)	-
8360 Total items that may be subsequently reclassified to profit or loss		837	-	(3,597)	(2)	2,710	1	(3,011)	-
8300 Other Comprehensive Income (Net)		<u>\$ 1,497</u>	<u>-</u>	<u>(\$ 4,136)</u>	<u>(2)</u>	<u>\$ 3,565</u>	<u>1</u>	<u>(\$ 2,522)</u>	<u>-</u>
8500 Total Comprehensive Income for the Current Period		<u>\$ 28,517</u>	<u>11</u>	<u>(\$ 1,701)</u>	<u>(1)</u>	<u>\$ 40,261</u>	<u>8</u>	<u>\$ 36,684</u>	<u>8</u>
Net Income Attributable to:									
8610 Owner of the Parent Company		<u>\$ 27,020</u>	<u>11</u>	<u>\$ 2,435</u>	<u>1</u>	<u>\$ 36,696</u>	<u>7</u>	<u>\$ 39,206</u>	<u>8</u>
Total comprehensive income attributable to:									
8710 Owner of the Parent Company		<u>\$ 28,517</u>	<u>11</u>	<u>(\$ 1,701)</u>	<u>(1)</u>	<u>\$ 40,261</u>	<u>8</u>	<u>\$ 36,684</u>	<u>8</u>
Earnings per share	6(25)								
9750 Basic earnings per share attributable to owners of the parent company		<u>\$ 0.42</u>		<u>\$ 0.04</u>		<u>\$ 0.57</u>		<u>\$ 0.61</u>	
9850 Net diluted earnings per share attributable to owners of the parent company		<u>\$ 0.42</u>		<u>\$ 0.04</u>		<u>\$ 0.57</u>		<u>\$ 0.61</u>	

The notes to the consolidated financial statements are an integral part of these consolidated financial reports.

Please refer to them together.

Chairman: Yeh, Nai-Ti

Managerial Officer: Cheng, Shu-Fa

Accounting Manager: Cheng, Pi-Yu

ICP DAS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Six Months Ended June 30, 2024 and 2023

Unit: NT\$ Thousand

		Equity Attributable to Owners of the Parent Company								
		Share Capital		Retained Earnings				Other Equity Interest		
									Unrealized Gains (Losses) from Financial Assets Measured at Fair Value Through Other Comprehensive Income	Total Equity
	Note	Capital - Common Stock	Undistributed Stock Dividends	Capital Surplus-Issue Premium	Statutory Surplus Reserve	Special Reserve	Undistributed Surplus	Exchange Differences on Translation of Foreign Financial Statements		
For the six months ended June 30, 2023										
Balance as of January 1, 2023		\$ 581,506	\$ -	\$ 68,630	\$ 166,762	\$ 7,396	\$ 449,774	(\$ 7,827)	\$ 3,278	\$ 1,269,519
Net profit for the six months ended June 30, 2023		-	-	-	-	-	39,206	-	-	39,206
Other comprehensive income for the six months ended June 30, 2023	6(17)	-	-	-	-	-	-	(3,011)	489	(2,522)
Total comprehensive income for the six months ended June 30, 2023		-	-	-	-	-	39,206	(3,011)	489	36,684
Allocation and distribution of surplus:	6(16)									
Statutory surplus reserve		-	-	-	22,509	-	(22,509)	-	-	-
Special reserve		-	-	-	-	(2,847)	2,847	-	-	-
Cash dividends		-	-	-	-	-	(87,226)	-	-	(87,226)
Stock dividends		-	58,151	-	-	-	(58,151)	-	-	-
Balance as of June 30, 2023		\$ 581,506	\$ 58,151	\$ 68,630	\$ 189,271	\$ 4,549	\$ 323,941	(\$ 10,838)	\$ 3,767	\$ 1,218,977
For the six months ended June 30, 2024										
Balance as of January 1, 2024		\$ 639,657	\$ -	\$ 68,630	\$ 189,271	\$ 4,549	\$ 376,431	(\$ 9,739)	\$ 4,857	\$ 1,273,656
Net profit for the six months ended June 30, 2024		-	-	-	-	-	36,696	-	-	36,696
Other comprehensive income for the six months ended June 30, 2024	6(17)	-	-	-	-	-	-	2,710	855	3,565
Total comprehensive income for the six months ended June 30, 2024		-	-	-	-	-	36,696	2,710	855	40,261
Allocation and distribution of surplus:	6(16)									
Statutory surplus reserve		-	-	-	9,170	-	(9,170)	-	-	-
Special reserve		-	-	-	-	333	(333)	-	-	-
Cash dividends		-	-	-	-	-	(63,966)	-	-	(63,966)
Balance as of June 30, 2024		\$ 639,657	\$ -	\$ 68,630	\$ 198,441	\$ 4,882	\$ 339,658	(\$ 7,029)	\$ 5,712	\$ 1,249,951

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Chairman: Yeh, Nai-Ti

Managerial Officer: Cheng, Shu-Fa

Accounting Manager: Cheng, Pi-Yu

ICP DAS CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended June 30, 2024 and 2023

		Unit: NT\$ Thousand	
	Note	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
<u>Cash flows from operating activities</u>			
Current net profit before tax		\$ 46,264	\$ 48,807
Adjustment items			
Income and expense items			
Expected credit impairment gains	6(2)	(13)	(81)
Depreciation expenses (including right-of-use assets and investment properties)	6(22)	29,199	27,689
Various amortization	6(22)	843	650
Interest revenue		(425)	(428)
Interest expense		1,912	1,665
Changes in operating assets/liabilities			
Net movement in assets relating to operating activities			
Notes receivable		(1,319)	777
Accounts receivable		(31,682)	13,128
Other Receivables		(439)	(341)
Inventories		80,693	(49,221)
Prepayments		(2,512)	(2,966)
Net movement in liabilities relating to operating activities			
Contract liability- Current		4,873	(2,207)
Accounts payable		(3,768)	(6,773)
Other Payables		14,912	1,605
Other current Liabilities		(2,023)	309
Net defined benefit liability- Non-current		110	122
Cash inflow from operations		136,625	32,735
Interest charged		425	428
Interest paid		(1,912)	(1,665)
Income tax paid		(30,839)	(41,623)
Net cash inflows (outflows) from operating activities		104,299	(10,125)
<u>Cash flows from investing activities</u>			
Acquisition of Property, plant, and equipment	6(26)	(9,477)	(16,271)
Acquisition of intangible assets		(140)	(140)
Decrease (increase) in refundable deposits		(477)	159
Increase in other non-current assets		(310)	(10,066)
Net cash outflow from investing activities		(10,404)	(26,318)
<u>Cash flows from financing activities</u>			
Repayment of lease liabilities	6(27)	(2,176)	(2,205)
Repayment of short-term debt		(170,000)	(330,000)
Raise short-term debt		120,000	380,000
Repayment of long-term loans		-	(16,000)
Decrease in deposits received		(210)	(19)
Net cash (outflow) inflow from financing activities		(52,386)	31,776
Adjustment in exchange rate		2,264	(2,492)
Increase (decrease) in cash and cash equivalents for the current period		43,773	(7,159)
Beginning balance of cash and cash equivalents		91,238	87,178
Ending balance of cash and cash equivalents		\$ 135,011	\$ 80,019

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Chairman: Yeh, Nai-Ti

Managerial Officer: Cheng, Shu-Fa

Accounting Manager: Cheng, Pi-Yu

ICP DAS CO., LTD. AND SUBSIDIARIES

NOTES OF CONSOLIDATED FINANCIAL STATEMENTS

Second Quarter of 2024 and 2023

Unit: NT\$ Thousand (Unless otherwise specified)

1. Company History and Business Scope

ICP DAS Co., Ltd. (hereinafter referred to as “the Company”) was established in the Republic of China. The Company and its subsidiaries’ (hereinafter collectively referred to as “the Group”) are primarily engaged in the production and sale of industrial computer hardware, software and related peripheral equipment. The Company’s shares have been officially listed and traded on the Taipei Exchange (TPEX) since January 6, 2009.

2. Approval Dates and Procedures of the Financial Statements

The Financial Statements have been approved by the Board of Directors on August 6, 2024.

3. Application of New and Amended Standards and Interpretations

- (1) The Impact of Adopting new and Amended IFRSs as Endorsed and Issued Into Effect by the Financial Supervisory Commission (hereinafter referred to as “FSC”)

The following table summarizes the newly issued, amended, and revised standards and interpretations of International Financial Reporting Standards (IFRS) endorsed and issued into effect by the Financial Supervisory Commission (FSC) that are applicable in 2024:

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IFRS 16 “Lease Liabilities in a Sale and Leaseback”	January 1, 2024
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024

The Group have assessed that the aforementioned criteria and interpretations have had no material impact on its financial position and financial performance.

- (2) The Impact of not Adopting new and Revised IFRSs Endorsed by the FSC

The following table summarized the new, amended, and revised standards and interpretations of IFRSs endorsed by the FSC that are applicable in 2025:

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Group have assessed that the aforementioned criteria and interpretations have had no material impact on its financial position and financial performance.

(3) Impact of IFRSs Issued by the IASB but not yet Endorsed by the FSC

The following table summarizes the financial reporting issued by the IASB but not yet endorsed by the FSC:

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Issued by IASB</u>
Amendments to IFRS 9 and IFRS 7 “Amendments to Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture”	To be determined by the International Accounting Standards Board
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9-Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure of Financial Statements”	January 1, 2027
IFRS 19 “Non-Publicly Accountable Subsidiaries: Disclosures”	January 1, 2027
IFRS Annual Improvements-Volume 11	January 1, 2026

The new, amended, and revised standards and interpretations of IFRSs:

Except as described below, the Group assessed that the aforementioned criteria and interpretations had no material impact on its financial position and financial performance.

IFRS 18 “Presentation and Disclosure of Financial Statements”

IFRS 18 “Presentation and Disclosure of Financial Statements” replaces IAS 1 and updates the structure of the statement of comprehensive income. It adds disclosures about management performance measures and strengthens the principles of aggregation and disaggregation used in the primary financial statements and notes.

4. Summary of Significant Accounting Policies

The primary accounting policies applied in preparing these consolidated financial statements are outlined as below. Unless otherwise stated, these policies have been applied to all the reporting periods.

(1) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 “Interim Financial Reporting,” as endorsed and issued into effect by the Financial Supervisory Commission.

(2) Basis of Preparation

1. Aside from the following significant items, the consolidated financial statements have been prepared on the historical cost basis:
 - (1) Financial assets measured at fair value through other comprehensive income.
 - (2) The net defined benefit liability recognized as the present value of the defined benefit obligation, deducted from the pension fund assets.
2. The preparation of financial statements in compliance with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) endorsed and issued into effect by the Financial Supervisory Commission (FSC) requires the use of certain critical accounting estimates, and the use of management’s judgment in applying the Group’s accounting policies. For items involving a high degree of judgment or complexity, or significant assumptions and estimates in the consolidated financial statements, please refer to Note 5 for details.

(3) Basis of Consolidation

1. Principles of Preparing Consolidated Financial Statements
 - (1) The Group includes all subsidiaries as entities for the preparation of the consolidated financial statements. A subsidiary refers to an entity (including structured entity) that is controlled by the Group while the Group is exposed to or has rights to variable compensation from its involvement with such entity and has the ability to influence such compensation through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date the Group gains control, and the consolidation is terminated on the date control is lost.

- (2) Transactions, balances, and unrealized gains or losses between companies within the Group have been eliminated. The accounting policies of the subsidiaries have been adjusted, as necessary, to ensure consistency with those adopted by the Group.

2. Subsidiaries Included in the Consolidated Financial Statements:

Name of Investing Company	Name of the Subsidiary	Nature of Business	Ownership Percentage			Description
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company	ADVANCE AHEAD LTD.	Reinvestment enterprises	100%	100%	100%	
The Company	ICP DAS INVEST LTD.	Reinvestment enterprises	100%	100%	100%	
ADVANCE AHEAD LTD.	Shanghai Golden ICPDAS International Trade Co., Ltd. (Second-tier Subsidiary - Shanghai Golden ICPDAS)	International trade, entrepot trade, bonded area trade between enterprises, and trade agency of industrial computer controllers and interface cards, etc.	100%	100%	100%	
ICP DAS INVEST LTD.	ICP DAS(Wuhan) Co. (Second-tier Subsidiary - ICPDAS (Wuhan))	Research, development, production and sales of software, hardware, electronic products, instruments, meters and automatic equipment for the automatic control industry; automation engineering and project reconstruction; related technical services and transfers.	100%	100%	100%	

3. Subsidiaries Not Included in the Consolidated Financial Statements: None.
4. Adjustments for Subsidiaries With Different Accounting Periods: None.
5. Significant Restrictions: None.
6. Subsidiaries with Significant Non-controlling Interests: None.

(4) Foreign Currency Translation

The items listed in the parent company only financial statements for the Group entities are measured using the currency of the primary economic environment (i.e. the functional currency) in which each entity operates. These consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional currency.

1. Foreign Currency Transaction and Balances

- (1) Foreign currency transactions are translated into the functional currency using the spot exchange rates prevailing on the trade date or measurement date. Exchange differences arising from the settlement of these transactions are recognized in profit or loss for the current period.
- (2) Foreign currency monetary assets and liabilities are revalued and adjusted using the spot exchange rate at the balance sheet date. Any exchange differences arising from this adjustment are recognized in profit or loss for the current period.
- (3) Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value through profit or loss are retranslated at the spot exchange rates prevailing on the balance sheet date, with exchange differences recognized in profit or loss for the current period. Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value through other comprehensive income are also retranslated at the spot exchange rates prevailing on the balance sheet date, with exchange differences recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

2. Translation of Foreign Operation

For all entities of the Group whose functional currency is different from the presentation currency, the operating results and financial position are translated to the presentation currency in the following manner:

- (1) The assets and liabilities presented in each balance sheet are translated at the closing rate on the date of that balance sheet.
- (2) The income, expenses and losses presented in each statement of comprehensive income are translated at the average exchange rate for the current period.
- (3) All exchange differences arising from translation are recognized as other comprehensive income.

(5) The Criteria for Classifying Assets and Liabilities as Current and Non-current.

1. An asset shall be classified as a current asset when it meets any of the following criteria:
 - (1) Expected to realize the asset within the normal operating cycle or intends to sell or consume.
 - (2) Held primarily for trading purposes.
 - (3) Expected to be realized within twelve months after the balance sheet date.
 - (4) Cash or cash equivalents, except for those restricted from being exchanged or used to settle liabilities for at least twelve months after the balance sheet date.

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

2. Liabilities that meet one of the following conditions are classified as current liabilities:
 - (1) Expected to be settled within the normal operating cycle.
 - (2) Held primarily for trading purposes.
 - (3) Expected to be settled within twelve months after the balance sheet date.
 - (4) Liabilities do not have an unconditional right to defer settlement for at least twelve months after the balance sheet date.

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

(6) Financial Assets Measured at Fair Value Through Other Comprehensive Income

1. Refers to investment in equity instrument that are not held for trading, for which an irrecoverable option is made at initial recognition to present changes in fair value in other comprehensive income.
2. The Group adopts trade date accounting for regular-way financial assets measured at fair value through other comprehensive income.
3. At initial recognition, the Group measures the fair value plus transaction costs. Subsequently, it is measured at fair value. Changes in fair value of equity instruments are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income are not subsequently reclassified to profit or loss, but are transferred to retained earnings. The Group recognizes dividend income in profit or loss when the right to receive the dividend is established, it is probable that the economic benefits will flow to the Group, and the amount of the dividend can be measured reliably.

(7) Accounts and Notes Receivable

1. Refer to the accounts and notes with the right to unconditionally receive the consideration in exchange for the transfer of goods or services according to the contract.
2. Short-term accounts and notes receivable without interest paid which are measured by the Group at the original invoice amount as the effect of discounting is insignificant.

(8) Financial Asset Impairment

At each balance sheet date, the Group assesses its financial assets measured at amortized cost, considering all reasonable and supportable information (including forward-looking information), to measure the allowance for losses. For assets where the credit risk has not increased significantly since initial recognition, the allowance is measured at an amount equal to 12-month expected credit losses. For assets where the credit risk has increased significantly, the allowance is measured at lifetime expected credit losses. For accounts receivable that do not contain a significant financing component, the allowance is measured at an amount equal to lifetime expected credit losses.

(9) Derecognition of Financial Assets

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(10) Lessor's Lease Transactions-Operating Leases

Operating lease rental income is amortized on a straight-line method over the lease term after deducting any incentives granted to the lessee and recognized as profit or loss for the current period.

(11) Inventories

Inventories are measured at the lower of cost and net realizable value, with cost calculated using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity), but excludes borrowing costs. When comparing the lower of the cost with net realizable value, the item-by-item comparison method is adopted. The net realizable value refers to the estimated selling price in the ordinary course of business, deducting the estimated cost to of completion and the estimated cost necessary to make the sale.

(12) Property, Plant, and Equipment

1. Property, plant and equipment are recorded on the basis of acquisition cost, and the relevant interest during the period of acquisition and construction is capitalized.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part shall be derecognized. All other maintenance costs shall be recognized as current profit or loss when incurred.
3. Property, plant and equipment shall be subsequently measured by the cost model and shall be depreciated by the straight-line method based on the estimated useful lives, except for land. The depreciation should be provided separately if each component of property, plant and equipment is significant.
4. At the end of each fiscal year, the Group reviews the residual value, useful life, and depreciation method of its assets. If the expected value of residual value and useful life differs from previous estimates, or if there has been a significant change in the expected consumption pattern of future economic benefits embodied in the asset, the changes are accounted for as change in accounting estimates in accordance with International Accounting Standard 8, "Accounting Policies, Changes in Accounting Estimates and Errors," effective from the date the changes occur. The useful life of each asset are as follows:

Buildings	3-50 years
Machinery and equipment	3-10 years
Mold equipment	2 years
Transportation equipment	3-5 years
Office equipment	3-5 years
Other equipment	3-10 years

(13) Lessee's Lease Transaction- Right-of-Use Asset/Lease Liability

1. Lease assets are recognized as right-of-use assets and lease liabilities when they become available for use by the Group. When the lease contract is for a short-term lease or a lease of a low-value underlying asset, lease payments are recognized as an expense using the straight-line method over the lease term.
2. The lease liability is recognized at the present value of unpaid lease payments, discounted using the Group's incremental borrowing rate, as of the lease commencement date. The lease payments include:

- (1) Fixed payments, less any lease incentives receivable;

- (2) Variable lease payments that depend on certain index or rates;
- (3) The amount expected to be paid by the Group under residual value guarantees;
- (4) The exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- (5) Penalties payable for terminating the lease, if the lessee exercising an option to terminate the lease during the lease term.

Subsequently, the interest method is used to measure at amortized cost, with interest expense recorded over the lease term. When there is a change in the lease term or lease payments that does not result from a contract revision, the lease liability is reassessed, and the remeasurement amount is adjusted against the right-of-use asset.

- 3. Right-of-use assets are recognized at cost on the lease commencement date, with the cost including:
 - (1) The initial measurement amount of the lease liability;
 - (2) Any lease payments made on or before the commencement date;
 - (3) Any initial direct costs incurred;
 - (4) The estimated costs of dismantling, removing the underlying asset, and restoring the site where it is located, or restoring the underlying asset to the condition required by the lease terms and conditions.

Subsequently measured using the cost model, with depreciation expense is recognized over the useful life of the right-of-use asset or the lease term, whichever is shorter. When the lease liabilities are reassessed, the right-of-use asset will be adjusted for any remeasurement amount of the lease liability.

(14) Investment Property

Investment properties are initially recognized at cost and subsequently measured using the cost model. Depreciation is recorded on a straight-line basis over an estimated useful life of 30 years.

(15) Intangible Assets

1. Computer Software

Computer software is recognized at cost of acquisition and amortized using straight-line method over an estimated useful life of 1 to 3 years.

2. Technology Licensing

The medical technology licenses are recognized at cost of acquisition and amortized using the straight-line method over an amortization period of 10 years.

(16) Impairment of Non-financial Assets

The Group estimates the recoverable amount of assets with impairment indications on the balance sheet date. When the recoverable amount is lower than it carries amount, an impairment loss is recognized. The recoverable amount is the higher of an asset's fair value less costs of disposal or its value in use. When an asset's previously recognized impairment no longer exists or decreases, the impairment loss should be reversed. However, the resulting increase in the asset's carrying amount from the reversal should not exceed the amount it would have been after deducting depreciation or amortization if the impairment loss had not been recognized.

(17) Borrowing

Refers to the long-term and short-term borrowings from banks. The Group measures them at fair value, less transaction costs at initial recognition, and subsequently recognizes interest expense in profit or loss over the circulation period. The difference between the transaction costs deducted and the redemption value is accounted for using the effective interest method.

(18) Accounts and Notes Payable

1. Refer to debts arising from the purchase of raw materials, goods or services on notes payable arising from business and non-business operations.
2. For short-term accounts and notes payable without interest accrued, the Group measures them at the original invoice amount, as the effect of discounting is immaterial.

(19) Derecognition of Financial Liabilities

The Group derecognizes a financial liability when its contractual obligations are cancelled or expired.

(20) Employee Benefits

1. Short-term Employee Benefits

Short-term employee benefits are measured at the undiscounted amount expected to be paid and recognized as an expense when the related service is rendered.

2. Pension

(1) Defined Contribution Plans

For defined contribution plans, the amount of pension fund contributions to be made is recognized as pension fund costs for the current period on an accrual basis. Prepaid contributions are recognized as assets to the extent that a cash refund or a reduction in future payments is available.

(2) Defined Benefit Plans

- A. The net obligation under the defined benefit plan is calculated by discounting the future benefits earned by the employee's current or past service, and the present value of the defined benefit obligation on the balance sheet date, minus the fair value of the plan assets. The net defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The discount rate is determined based on market yields of high-quality corporate bonds with terms and currencies that are consistent with the defined benefit obligation. In countries where there is no deep market for such bonds, the market yields of government bonds are used (as of the balance sheet date).
- B. Remeasurements arising from defined benefit plans are recognized in other comprehensive income in the period they occur and are presented in retained earnings.
- C. The expense related to past service costs is recognized immediately in profit or loss.
- D. The interim pension cost is calculated based on the pension cost rate determined by actuarial valuation at the end of the previous fiscal year, for the period from the beginning of the year to the current end date. If there are significant market changes, major curtailment, settlements, or other major one-time events after the end date, adjustments will be made accordingly, and relevant information will be disclosed in accordance with the aforementioned policy.

3. Compensation of Employees, Directors, and Supervisors

Compensation of employees, directors, and supervisors is recognized as expenses and liabilities when there is a legal or constructive obligation and the amount can be reasonably estimated. If there is a discrepancy between the actual distribution amount and the estimated amount in subsequent resolutions, it should be treated as a change in accounting estimate. For employee compensation paid in shares, the number of

shares is calculated based on the closing market price on the day preceding the Board of Directors' resolution date.

(21) Income Tax

1. Income tax expense includes current and deferred tax. Except for income tax related to items recognized in other comprehensive income or directly in equity, which are recorded in other comprehensive income or directly in equity, income tax is recognized in profit or loss.
2. The Group calculates the current income tax based on the tax rates enacted or substantively enacted as of the balance sheet date in the countries in which it operates and generates taxable income. Management periodically evaluates status of income tax filings in accordance with applicable tax regulations and, where applicable, estimates income tax liabilities based on the expected payments to the tax authorities. The income tax imposed on undistributed earnings under the Income Tax Act should not be recognized for the distribution of undistributed earnings until after the shareholders' meeting has approved the distribution of surplus in the year after the year in which the surplus is generated.
3. Deferred income tax is recognized using the balance sheet method, based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheets. If temporary differences arise from investments in subsidiaries and the Group is able to control the timing of the reversal of those differences, and it is unlikely that the temporary differences will reverse in the foreseeable future, they are not recognized. Deferred income tax is measured based on the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax assets are realized or the deferred tax liabilities are settled.
4. Deferred income tax assets are recognized for temporary differences to the extent that it is probable that these assets can be utilized to offset future taxable income. Both unrecognized and recognized deferred income tax assets are reassessed at each balance sheet date.
5. Current tax assets and liabilities are offset only when there is a legal right to offset and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset only when there is a legal right to offset and they are levied by the same tax authority for the same taxpayer or different taxpayers who intend to settle on a net basis or realize the asset and settle the liability simultaneously.

6. The unused tax deductions arising from the purchase of equipment and research and development expenditures are recognized as deferred tax assets to the extent that it is probable that future taxable income will be available against which these unused tax credits can be utilized.
7. Income tax expense for interim periods is calculated by applying an estimated annual effective tax rate to the pre-tax income for the interim period. This calculation is in accordance with the aforementioned policy, and related information is disclosed accordingly.
8. When the tax rate changes occur during the interim period, the Group recognizes the effects of such changes in the period in which the changes occur. For income taxes related to items recognized outside of profit or loss, the effects of the changes are recognized in other comprehensive income or equity items. For income taxes related to items recognized in profit or loss, the effects of the changes are recognized in profit or loss.

(22) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or stock options, after deducting income taxes, are recognized as a reduction in equity.

(23) Dividend Distribution

Dividends distributed to the Company's shareholders are recognized in the financial statements when approved by the shareholders at the shareholders' meeting. Cash dividends are recognized as a liability, while stock dividends are recorded as stock dividends to be distributed and are subsequently reclassified to ordinary shares on the base date of new shares issuance.

(24) Revenue Recognition

The Group manufactures and sells industrial computer hardware, software, and related peripheral products. Sales revenue is recognized when control of the product is transferred to the customer. This occurs when the product is delivered to the customer, the customer has discretion over the sales channel and price of the product, and there are no unfulfilled obligations that could affect the customer's acceptance of the product. Delivery occurs when the products have been shipped to the designated location, the risks of obsolescence and loss have been transferred to the customer, and the customer has accepted the products according to the sales contract, or there is objective evidence that all acceptance criteria have been met.

(25) Government Grants

Government grants are recognized at fair value when it is reasonably assured that the enterprise will comply with the conditions attached to the grants and that the grants will be received. Government grants are recognized as income on a systematic basis during the period in which the related expenses are incurred, when the nature of the government grants is to compensate for expenses incurred by the Group.

(26) Operating Segments

The operating segment information of the Group is reported in a manner consistent with the internal management reports provided to the chief operating decision maker. The Group's chief operating decision maker, responsible for allocating resources and assessing performance of the operating segments, is identified as the Board of Directors.

5. Significant Accounting Judgments, Assumptions and Primary Sources of Estimation Uncertainty

During the preparation of the Group's consolidated financial statements, the management exercised judgment to determine the accounting policies to be adopted and made accounting estimates and assumptions about future events based on the conditions prevailing at the balance sheet date. Significant accounting estimates and assumptions may differ from actual results. These estimates will be continuously evaluated and adjusted based on historical experience and other factors. These estimates and assumptions carry a risk of leading to material adjustments in the carrying amounts of assets and liabilities within the next financial year. Please refer to the following descriptions of significant accounting judgments, estimates and assumptions of uncertainty:

(1) Significant Judgments in Applying Accounting Policies

None.

(2) Significant Accounting Estimates and Assumptions

Since inventories must be calculated at the lower of cost or net realizable value, the Group needs to assess and estimate the net realizable value of inventories as of the balance sheet date. Due to the rapid technological changes, the Group assesses the value of inventories on the balance sheet date for normal deterioration, obsolescence, or lack of market value, and adjusts the inventory cost to net realizable value. This inventory valuation is primarily based on estimates of product demand within a specific future period and may be subjected to significant fluctuations.

As of June 30, 2024, the carrying amount of the Group's inventories was NT\$551,215.

6. Explanation of Significant Accounts

(1) Cash

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Cash on hand and working capital	\$ 922	\$ 1,113	\$ 621
Checks for deposit and demand deposits	<u>134,089</u>	<u>90,125</u>	<u>79,398</u>
Total	<u>\$ 135,011</u>	<u>\$ 91,238</u>	<u>\$ 80,019</u>

1. The Group's counterparties have good credit quality, and the Group diversifies its credit risk by maintaining relationships with multiple financial institutions. Thus, the likelihood of default is considered extremely low.
2. The Group has not pledged any cash and cash equivalents as collateral.

(2) Notes and Accounts Receivable

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Notes receivable	\$ 6,642	\$ 5,324	\$ 6,533
Less: Allowance for losses	<u>(21)</u>	<u>(37)</u>	<u>(13)</u>
	<u>\$ 6,621</u>	<u>\$ 5,287</u>	<u>\$ 6,520</u>
Accounts receivable	\$ 122,785	\$ 91,102	\$ 73,460
Less: Allowance for losses	<u>(4)</u>	<u>(1)</u>	<u>(2)</u>
	<u>\$ 122,781</u>	<u>\$ 91,101</u>	<u>\$ 73,458</u>

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

	<u>June 30, 2024</u>		<u>December 31, 2023</u>		<u>June 30, 2023</u>	
	<u>Accounts Receivable</u>	<u>Notes Receivable</u>	<u>Accounts Receivable</u>	<u>Notes Receivable</u>	<u>Accounts Receivable</u>	<u>Notes Receivable</u>
Not overdue	\$ 116,036	\$ 6,642	\$ 88,303	\$ 5,324	\$ 67,948	\$ 6,533
1-30 days	5,896	-	2,242	-	5,504	-
31-90 days	841	-	557	-	8	-
91-180 days	12	-	-	-	-	-
More than 181 days	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 122,785</u>	<u>\$ 6,642</u>	<u>\$ 91,102</u>	<u>\$ 5,324</u>	<u>\$ 73,460</u>	<u>\$ 6,533</u>

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

2. As of June 30, 2024, December 31, 2023, and June 30, 2023, the balances of accounts receivable and notes receivable were all derived from customer contracts. Additionally, the balance of accounts receivable from customer contracts as of January 1, 2023, was NT\$93,899.

3. The Group has not pledged any notes receivable or accounts receivable as collateral.
4. The maximum exposure to credit risk for the Group's notes receivable as of June 30, 2024, December 31, 2023, and June 30, 2023 was NT\$6,621, NT\$5,287, and NT\$6,520. The maximum exposure to credit risk for the Group's accounts receivable as of June 30, 2024, December 31, 2023 and June 30, 2023 was NT\$122,781, NT\$91,101, and NT\$73,458 without considering any collateral held or other credit enhancements.
5. Please refer to Note 12(2) for credit risk information of the related accounts receivable and notes receivable.

(3) Inventories

June 30, 2024			
	Cost	Allowance for Impairment Losses	Carrying Amounts
Raw materials	\$ 402,359	(\$ 114,440)	\$ 287,919
Work in progress	144,031	(20,189)	123,842
Finished good	<u>176,404</u>	<u>(36,950)</u>	<u>139,454</u>
Total	<u>\$ 722,794</u>	<u>(\$ 171,579)</u>	<u>\$ 551,215</u>
December 31, 2023			
	Cost	Allowance for Impairment Losses	Carrying Amounts
Raw materials	\$ 454,523	(\$ 98,281)	\$ 356,242
Work in progress	136,485	(19,341)	117,144
Finished good	<u>194,025</u>	<u>(35,503)</u>	<u>158,522</u>
Total	<u>\$ 785,033</u>	<u>(\$ 153,125)</u>	<u>\$ 631,908</u>
June 30, 2023			
	Cost	Allowance for Impairment Losses	Carrying Amounts
Raw materials	\$ 462,623	(\$ 76,493)	\$ 386,130
Work in progress	157,421	(17,990)	139,431
Finished good	<u>197,474</u>	<u>(38,272)</u>	<u>159,202</u>
Total	<u>\$ 817,518</u>	<u>(\$ 132,755)</u>	<u>\$ 684,763</u>

Current cost of inventories recognized by the Group as expense or loss:

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023
Cost of inventories sold	\$ 106,994	\$ 94,951
Inventory loss from price decline	<u>2,810</u>	<u>13,674</u>
	<u>\$ 109,804</u>	<u>\$ 108,625</u>
	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Cost of inventories sold	\$ 213,396	\$ 208,842
Inventory loss from price decline	<u>17,942</u>	<u>18,735</u>
	<u>\$ 231,338</u>	<u>\$ 227,577</u>

(4) Financial Assets Measured at Fair Value Through Other Comprehensive Income

	June 30, 2024	December 31, 2023	June 30, 2023
Unlisted/OTC stocks	\$ 10,236	\$ 10,236	\$ 10,236
Valuation adjustment	<u>7,140</u>	<u>6,071</u>	<u>4,708</u>
Total	<u>\$ 17,376</u>	<u>\$ 16,307</u>	<u>\$ 14,944</u>

1. The Group opted to categorizes its strategic investments in ICPDAS EUROPE GmbH and ICPDAS USA INC as financial assets measured at fair value through other comprehensive income. The fair values of these investments as of June 30, 2024, December 31, 2023, and June 30, 2023, were NT\$17,376, NT\$16,307, and NT\$14,944, respectively.
2. The Group has not pledged financial asset measured at fair value through other comprehensive income as collateral.
3. For the information of financial assets measured at fair value through other comprehensive income, please refer to Note 12.(3).

(5) Property, Plant, and Equipment

2024

	Land	Buildings	Machinery and Equipment	Mold Equipment	Transportation Equipment	Office Equipment	Other Equipment	Unfinished Construction and Equipment Pending Acceptance	Total
January 1									
Cost	\$ 341,780	\$ 471,111	\$ 103,064	\$ 1,019	\$ 9,692	\$ 6,405	\$ 23,123	\$ 29,731	\$ 985,925
Accumulated depreciation and impairment	-	(199,124)	(36,236)	(724)	(4,083)	(4,824)	(9,840)	-	(254,831)
	<u>\$ 341,780</u>	<u>\$ 271,987</u>	<u>\$ 66,828</u>	<u>\$ 295</u>	<u>\$ 5,609</u>	<u>\$ 1,581</u>	<u>\$ 13,283</u>	<u>\$ 29,731</u>	<u>\$ 731,094</u>
January 1	\$ 341,780	\$ 271,987	\$ 66,828	\$ 295	\$ 5,609	\$ 1,581	\$ 13,283	\$ 29,731	\$ 731,094
Addition	-	2,037	1,037	1,150	-	19	1,247	3,853	9,343
Reclassification (Note)	-	5,040	95	29	-	-	-	(5,040)	124
Depreciation expense	-	(13,667)	(8,880)	(355)	(725)	(376)	(1,995)	-	(25,998)
Net exchange differences	-	155	11	-	-	12	-	-	178
June 30	<u>\$ 341,780</u>	<u>\$ 265,552</u>	<u>\$ 59,091</u>	<u>\$ 1,119</u>	<u>\$ 4,884</u>	<u>\$ 1,236</u>	<u>\$ 12,535</u>	<u>\$ 28,544</u>	<u>\$ 714,741</u>
June 30									
Cost	\$ 341,780	\$ 478,800	\$ 104,178	\$ 1,875	\$ 9,047	\$ 5,298	\$ 23,321	\$ 28,544	\$ 992,843
Accumulated depreciation and impairment	-	(213,248)	(45,087)	(756)	(4,163)	(4,062)	(10,786)	-	(278,102)
	<u>\$ 341,780</u>	<u>\$ 265,552</u>	<u>\$ 59,091</u>	<u>\$ 1,119</u>	<u>\$ 4,884</u>	<u>\$ 1,236</u>	<u>\$ 12,535</u>	<u>\$ 28,544</u>	<u>\$ 714,741</u>

Note: This period's transfer is from other non-current assets.

2023

	Land	Buildings	Machinery and Equipment	Mold Equipment	Transportation Equipment	Office Equipment	Other Equipment	Unfinished Construction and Equipment Pending Acceptance	Total
January 1									
Cost	\$ 324,536	\$ 453,442	\$ 67,787	\$ 1,581	\$ 11,171	\$ 6,746	\$ 23,762	\$ 59,356	\$ 948,381
Accumulated depreciation and impairment	-	(172,164)	(22,976)	(638)	(4,987)	(5,072)	(9,863)	-	(215,700)
	<u>\$ 324,536</u>	<u>\$ 281,278</u>	<u>\$ 44,811</u>	<u>\$ 943</u>	<u>\$ 6,184</u>	<u>\$ 1,674</u>	<u>\$ 13,899</u>	<u>\$ 59,356</u>	<u>\$ 732,681</u>
January 1	\$ 324,536	\$ 281,278	\$ 44,811	\$ 943	\$ 6,184	\$ 1,674	\$ 13,899	\$ 59,356	\$ 732,681
Addition	-	1,423	6,053	-	-	87	383	6,679	14,625
Reclassification (Note)	17,244	15,917	13,978	-	-	-	-	(33,180)	13,959
Depreciation expense	-	(13,754)	(6,909)	(344)	(893)	(481)	(2,079)	-	(24,460)
Net exchange differences	-	(179)	(14)	-	-	(15)	-	-	(208)
June 30	<u>\$ 341,780</u>	<u>\$ 284,685</u>	<u>\$ 57,919</u>	<u>\$ 599</u>	<u>\$ 5,291</u>	<u>\$ 1,265</u>	<u>\$ 12,203</u>	<u>\$ 32,855</u>	<u>\$ 736,597</u>
June 30									
Cost	\$ 341,780	\$ 470,130	\$ 85,673	\$ 1,255	\$ 10,178	\$ 6,052	\$ 23,750	\$ 32,855	\$ 971,673
Accumulated depreciation and impairment	-	(185,445)	(27,754)	(656)	(4,887)	(4,787)	(11,547)	-	(235,076)
	<u>\$ 341,780</u>	<u>\$ 284,685</u>	<u>\$ 57,919</u>	<u>\$ 599</u>	<u>\$ 5,291</u>	<u>\$ 1,265</u>	<u>\$ 12,203</u>	<u>\$ 32,855</u>	<u>\$ 736,597</u>

Note: This period's transfer is from other non-current assets.

1. The capitalization of interest amounts for the periods for the six months ended June 30, 2024, and 2023, were 0.
2. The material components of the Group's buildings include construction and high-voltage electrical facilities, which are depreciated over 10 to 50 years and 20 years, respectively.
3. There is no impairment of property, plant and equipment.
4. Please refer to Note 8 for information on collateral or pledge provided with property, plant and equipment.

(6) Lease Transactions- Lessee

1. The Group's leased underlying assets include land use rights and buildings. The signed land use rights contracts have a lease term of 40 years, while building lease contracts typically have a lease term of 1 to 3 years. Lease contracts are negotiated separately and include various terms and conditions. Except for land use rights, leased assets cannot be used as collateral or pledged, and no other restrictions apply.
2. The lease term for the Group's leased office premises and parking spaces is less than 12 months. Leases for low-value underlying assets, such as water dispensers and office equipment, are also accounted for.
3. The carrying amounts of right-of-use assets and the depreciation expenses recognized are as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
	<u>Carrying Amounts</u>	<u>Carrying Amounts</u>	<u>Carrying Amounts</u>
Land use rights	\$ 27,388	\$ 27,453	\$ 27,951
Building	<u>4,163</u>	<u>5,874</u>	<u>3,977</u>
	<u>\$ 31,551</u>	<u>\$ 33,327</u>	<u>\$ 31,928</u>

	<u>For the Three Months Ended June 30, 2024</u>	<u>For the Three Months Ended June 30, 2023</u>
	<u>Depreciation Expense</u>	<u>Depreciation Expense</u>
Land use rights	\$ 407	\$ 401
Building	<u>1,100</u>	<u>1,103</u>
	<u>\$ 1,507</u>	<u>\$ 1,504</u>
	<u>For the Six Months Ended June 30, 2024</u>	<u>For the Six Months Ended June 30, 2023</u>
	<u>Depreciation Expense</u>	<u>Depreciation Expense</u>
Land use rights	\$ 807	\$ 807
Building	<u>2,176</u>	<u>2,205</u>
	<u>\$ 2,983</u>	<u>\$ 3,012</u>

4. The additions to right-of-use assets for the three months ended June 30, 2024, and 2023, and for the six months ended June 30, 2024, and 2023, were NT\$0, NT\$681, NT\$314, and NT\$788, respectively.

5. Information on profit or loss items related to lease contracts is as follows:

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023
<u>Items affecting current profit or loss</u>		
Expense attributable to short-term leases	\$ 1,862	\$ 1,555
The expense of leases of low-value assets	402	207
	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
<u>Items affecting current profit or loss</u>		
Expense attributable to short-term leases	\$ 3,344	\$ 3,152
The expense of leases of low-value assets	796	605

6. The total cash outflow for leases for the Group for the three months ended June 30, 2024, and 2023, and for the six months ended June 30, 2024, and 2023, was NT\$3,364, NT\$2,865, NT\$6,316, and NT\$5,962, respectively.

7. Options to extend and terminate a lease

In determining the lease term, the Group assesses all facts and circumstances that create economic incentives either to exercise an extension option or to not exercising a termination option. The lease term is reassessed if a significant event occurs that affects this assessment.

(7) Lease Transactions- Lessor

1. The Group's underlying assets include buildings, with lease terms typically range from 1 and 3 years. Lease contracts are negotiated separately and include various terms and conditions. To protect the leased assets, lessees are generally required not to use them as loan collateral or to provide residual value guarantees.
2. The Group recognized rental income based on operating lease contracts amounting to NT\$652, NT\$688, NT\$1,195 and NT\$1,281 for the three months ended June 30, 2024, and 2023, and for the six months ended June 30, 2024, and 2023, respectively. None of this income was from variable lease payments.

3. The analysis of the lease payments due for the Group's operating leases is as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Within 1 years	\$ 2,196	\$ 2,374	\$ 1,890
1-2 years	1,912	1,649	755
2-3 years	<u>573</u>	<u>693</u>	<u>618</u>
Total	<u>\$ 4,681</u>	<u>\$ 4,716</u>	<u>\$ 3,263</u>

(8) Investment Property

	Buildings	
	2024	2023
January 1		
Cost	\$ 12,808	\$ 13,048
Accumulated depreciation and impairment	(5,408)	(5,074)
	<u>\$ 7,400</u>	<u>\$ 7,974</u>
January 1	\$ 7,400	\$ 7,974
Reclassification	-	-
Depreciation expense	(218)	(217)
Net exchange differences	<u>201</u>	<u>(222)</u>
June 30	<u>\$ 7,383</u>	<u>\$ 7,535</u>
June 30		
Cost	\$ 13,158	\$ 12,675
Accumulated depreciation and impairment	(5,775)	(5,140)
	<u>\$ 7,383</u>	<u>\$ 7,535</u>

1. Rental income and direct operating expenses from investment properties:

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023
Rental income from investment properties	<u>\$ 652</u>	<u>\$ 688</u>
Direct operating expenses incurred for investment properties that generates rental income during the period	<u>\$ 111</u>	<u>\$ 107</u>
	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Rental income from investment properties	<u>\$ 1,195</u>	<u>\$ 1,281</u>
Direct operating expenses incurred for investment properties that generates rental income during the period	<u>\$ 218</u>	<u>\$ 217</u>

2. The fair values of the investment properties held by the Group as of June 30, 2024, December 31, 2023, and June 30, 2023, were \$17,771, \$17,299, and \$17,520, respectively. These fair values were based on the valuations by independent appraisers. The valuations used the income method, and since the parameters used were unobservable inputs, they were classified as Level 3 fair values. The key assumptions were as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Annual depreciation rate	1.80%	1.80%	1.80%
One-year fixed deposit interest rate	1.45%	1.45%	1.50%
Capitalization rate of real estate income	3.18%	3.18%	3.38%

3. Please refer to Note 6(7) for details of lease transactions for investment properties.
4. No impairment losses were incurred, and not collateral or pledge provided for investment properties.

(9) Other Non-current Assets

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Refundable deposits	\$ 12,377	\$ 11,900	\$ 12,046
Prepayments for business facilities	<u>3,105</u>	<u>3,479</u>	<u>3,156</u>
	<u>\$ 15,482</u>	<u>\$ 15,379</u>	<u>\$ 15,202</u>

(10) Short-term Debt

<u>Nature of loan</u>	<u>June 30, 2024</u>	<u>Interest Rate Range</u>	<u>Collateral</u>
Bank loan			
Credit loans	<u>\$ 70,000</u>	1.92%-2.14%	None
<u>Nature of loan</u>	<u>December 31, 2023</u>	<u>Interest Rate Range</u>	<u>Collateral</u>
Bank loan			
Credit loans	<u>\$ 120,000</u>	1.8%-1.98%	None
<u>Nature of loan</u>	<u>June 30, 2023</u>	<u>Interest Rate Range</u>	<u>Collateral</u>
Bank loan			
Credit loans	<u>\$ 120,000</u>	1.75%-2.179%	None

Interest expense recognized in profit or loss for the three months ended June 30, 2024, and 2023, and for the six months ended June 30, 2024, and 2023, were NT\$478, NT\$728, NT\$1,058, and NT\$1,470, respectively.

(11) Other Payables

	June 30, 2024	December 31, 2023	June 30, 2023
Salaries and bonus payable	\$ 55,671	\$ 46,340	\$ 56,714
Dividends payable	63,966	-	87,226
Compensation payable to directors, supervisors, and employees	13,742	10,240	34,712
Payables on equipment	2,226	2,360	1,108
Others	31,303	29,224	30,682
	<u>\$ 166,908</u>	<u>\$ 88,164</u>	<u>\$ 210,442</u>

(12) Long-Term Debt

Nature of Loan	Loan Period and Repayment Method	Interest Rate Range	Collateral	June 30, 2024
Secured loan	From September 27, 2023 to May 25, 2026, with interest payable monthly, and principal repayable in full upon maturity	2.460%	Land and buildings	\$ 70,000
Deduct: Current portion of long-term borrowings (presented under other current liabilities)				-
				<u>\$ 70,000</u>
Nature of Loan	Loan Period and Repayment Method	Interest Rate Range	Collateral	December 31, 2023
Secured loan	From September 27, 2023 to May 25, 2026, with interest payable monthly, and principal repayable in full upon maturity	2.335%	Land and buildings	\$ 70,000
Deduct: Current portion of long-term borrowings (presented under other current liabilities)				-
				<u>\$ 70,000</u>
Nature of Loan	Loan Period and Repayment Method	Interest Rate Range	Collateral	June 30, 2023
Secured loan	From October 2018 to October 2023, with monthly interest payments and quarterly repayments starting from April 2020.	2.093%	Land and buildings	\$ 16,000
Deduct: Current portion of long-term borrowings (presented under other current liabilities)				(16,000)
				<u>\$ -</u>

Interest expense recognized in profit or loss for the three months ended June 30, 2024, and 2023, and for the six months ended June 30, 2024, and 2023, were NT\$429, NT\$76, NT\$854, and NT\$195, respectively.

(13) Pension

1. (1) The Company has established a defined plan of bonus under the Labor Standards Law, which applies to the service years of all permanent employees prior to the implementation of the Labor Pension Act on July 1, 2005, as well as the subsequent service years of employees who choose to continue to apply the Labor Standards Law after the implementation of the Labor Pension Act. For employees who are qualify for retirement, the pension is calculated based on years of service and the average salary for the six months prior to retirement. For up to 15 years of service, two base units are given for each year of service. For service years exceeding 15 years, one base unit is given for each year of service, with a maximum of 45 base units. The Company contributes 2% of the total salary to a retirement fund on a monthly basis, which is deposited in a dedicated bank account at the Bank of Taiwan under the name of the Labor Retirement Reserve Fund Supervisory Committee. Furthermore, before the end of each year, the Company will estimate the balance of the aforementioned dedicated bank account. If the balance is insufficient to cover the estimated pensions calculated for employees who will meet the retirement conditions in the following year, the Company will make a one-time contribution to cover the shortfall by the end of March of the following year.
- (2) The pension costs recognized by the Group based on the pension plan for the three months ended June 30, 2024, and 2023, and for the six months ended June 30, 2024, and 2023, was NT\$327, NT\$365, NT\$655, and NT\$731, respectively.
- (3) The Group anticipates a pension contribution of NT\$1,310 for 2024.
2. (1) Since July 1, 2005, in accordance with the “Labor Pension Act”, the Company has established a defined plan of pension contribution applicable to employees with Taiwanese nationality. For employees who have chosen to adopt the pension system defined by the “Labor Pension Act,” the Company contributes 6% of the employee’s monthly salary to their individual account at the Bureau of Labor Insurance. Upon retirement, employees can choose to receive their pension either as monthly payments or as a lump sum, based on the balance and accumulated returns in their dedicated pension account.
- (2) Shanghai Golden and ICP DAS contribute pension insurance based on a certain percentage of the total salaries of local employees in accordance with the pension insurance system stipulated by the Chinese government, with a contribution rate of 14%~16% for the six months ended June 30, 2024, and 2023. Employees’ pensions are arranged by the government, and the Group has no further obligations other than making the monthly contributions.

- (3) The pension costs recognized by the Group based on the aforementioned pension plan for the three months ended June 30, 2024, and 2023, and for the six months ended June 30, 2024, and 2023, were NT\$4,747, NT\$4,457, NT\$9,433, and NT\$8,859, respectively.

(14) Share Capital

1. As of June 30, 2024 and 2023, the authorized capital of the Company was both NT\$800,000 (of which NT\$75,000 was reserved for employee share warrants), and the paid-in capital was NT\$639,657 and NT\$581,506, respectively, with a par value of NT\$10 per share. All proceeds from the Company's issuance of shares have been fully received.
2. Based on the resolution of the shareholders' meeting on June 2023, the Company issued 5,815,059 new shares with a par value of NT\$10 per share, totaling NT\$58,151 through undistributed surplus. The capital increase was registered and completed on October 4, 2023.

(15) Capital Surplus

Under the Company Act, any surplus from issuing stock above its par value and capital surplus received from donations, apart from being used to offset losses, may be distributed to shareholders in the form of new shares or cash in proportion to their existing shares, when the company has no accumulated deficit. Additionally, according to the relevant regulations under the Securities and Exchange Act, when the aforementioned additional capital surplus is used to increase capital, the total amount allocated each year must not exceed 10% of the paid-in capital. Capital surplus may not be used to cover capital deficits unless the company has first used its retained earnings to cover any such deficits.

(16) Retained Earnings

1. According to the Company's articles of incorporation, if there is a surplus in the annual total budget, taxes must be paid first, following by the covering of any previous deficits. Then, 10% of the surplus should be allocated as a legal reserve surplus. After that, a special surplus reserve should be set aside as required by the laws or regulations of the competent authority. Any remaining surplus should be combined with the undistributed surplus from previous years to form the accumulated distributable surplus, for which the Board of Directors shall propose a distribution plan to be resolved at the shareholders' meeting.
2. As the Company's business is currently in the growth stage, the dividend distribution policy should consider current and future operational plans, investment projects, capital budgets, changes in both internal and external environments, as well as

shareholders' interests and the balance of dividends. Each year, the Board of Directors should propose a distribution proposal in accordance with the law and submit it to the shareholders' meeting for approval. The Company's shareholder dividend distribution may be made in the form of stock dividends, and the proportion of cash dividends distributed to shareholders should not be less than 10% of the total shareholder dividends.

3. Legal reserve may only used to offset the Company's losses, or to distribute new shares or cash in proportion to the existing shares of shareholders. Issuance of new shares or cash dividends is allowed only if the reserve exceeds 25% of the Company's paid-in capital.
4. On June 9, 2023, the shareholders' meeting resolved to distribute cash dividends of NT\$87,226 (NT\$1.5 per share) and stock dividends of NT\$58,151 (NT\$1 per share) on common shares from the 2022 earnings.
5. On June 13, 2024, the shareholders' meeting resolved to distribute cash dividends of NT\$63,966 (NT\$1.0 per share) from the 2023 earnings.

(17) Other Equity Items

	2024		
	Unrealized Valuation Profit or Loss	Currency Translation	Total
January 1, 2024	\$ 4,857	(\$ 9,739)	(\$ 4,882)
Valuation adjustment	1,069	-	1,069
Tax amount of valuation adjustment	(214)	-	(214)
Foreign currency translation difference:			
- The Group	-	3,388	3,388
- The Group's tax amount	-	(678)	(678)
June 30, 2024	<u>\$ 5,712</u>	<u>(\$ 7,029)</u>	<u>(\$ 1,317)</u>

	2023		
	Unrealized Valuation Profit or Loss	Currency Translation	Total
January 1, 2023	\$ 3,278	(\$ 7,827)	(\$ 4,549)
Valuation adjustment	611	-	611
Tax amount of valuation adjustment	(122)	-	(122)
Foreign currency translation difference:			
- The Group	-	(3,763)	(3,763)
- The Group's tax amount	-	752	752
June 30, 2023	<u>\$ 3,767</u>	<u>(\$ 10,838)</u>	<u>(\$ 7,071)</u>

(18) Operating Revenue

	For the Three Months Ended June 30, 2024	For the three months ended June 30, 2023
Revenue from contracts with customers	\$ 251,690	\$ 216,668
	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Revenue from contracts with customers	\$ 486,545	\$ 487,989

1. Breakdown of Revenue Contracts With Customers

The Company's revenue is derived from the transfer of goods at a specific point in time and can be broken down into the following major products and divisions:

For the Three Months Ended June 30, 2024	The Company	Second-tier Subsidiary Shanghai Golden ICPDAS	Second-tier Subsidiary ICP DAS (Wuhan)	Total
Remote controllers, industrial control interface cards	\$ 195,712	\$ 26,958	\$ -	\$ 222,670
Others	28,512	425	83	29,020
Total	<u>\$ 224,224</u>	<u>\$ 27,383</u>	<u>\$ 83</u>	<u>\$ 251,690</u>
For the Three Months Ended June 30, 2023	The Company	Second-tier Subsidiary Shanghai Golden ICPDAS	Second-tier Subsidiary ICP DAS (Wuhan)	Total
Remote controllers, industrial control interface cards	\$ 175,072	\$ 26,383	\$ 102	\$ 201,557
Others	14,687	128	296	15,111
Total	<u>\$ 189,759</u>	<u>\$ 26,511</u>	<u>\$ 398</u>	<u>\$ 216,668</u>
For the Six Months Ended June 30, 2024	The Company	Second-tier Subsidiary Shanghai Golden ICPDAS	Second-tier Subsidiary ICP DAS (Wuhan)	Total
Remote controllers, industrial control interface cards	\$ 371,903	\$ 57,834	\$ -	\$ 429,737
Others	55,512	932	364	56,808
Total	<u>\$ 427,415</u>	<u>\$ 58,766</u>	<u>\$ 364</u>	<u>\$ 486,545</u>
For the Six Months Ended June 30, 2023	The Company	Second-tier Subsidiary Shanghai Golden ICPDAS	Second-tier Subsidiary ICP DAS (Wuhan)	Total
Remote controllers, industrial control interface cards	\$ 382,851	\$ 61,176	\$ 181	\$ 444,208
Others	38,645	2,740	2,396	43,781
Total	<u>\$ 421,496</u>	<u>\$ 63,916</u>	<u>\$ 2,577</u>	<u>\$ 487,989</u>

2. Contract Liability

The contract liabilities in relation to revenue from contracts with customers recognized by the Group are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Contract liability	\$ 12,108	\$ 7,236	\$ 5,811	\$ 8,018

Revenue recognized in the current period for contract liabilities at the beginning of the period:

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023
Merchandise sales contract	<u>\$ 1,277</u>	<u>\$ -</u>
	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Merchandise sales contract	<u>\$ 6,499</u>	<u>\$ 5,691</u>

(19) Other Income and net Expenses and Losses

	For the Three Months ended June 30, 2024	For the Three Months ended June 30, 2023
Other revenue		
Rent revenue/income	\$ 652	\$ 688
Other losses		
Depreciation expense	(111)	(107)
Total	<u>\$ 541</u>	<u>\$ 581</u>
	For the Six Months ended June 30, 2024	For the Six Months ended June 30, 2023
Other revenue		
Rent revenue/income	\$ 1,195	\$ 1,281
Other losses		
Depreciation expense	(218)	(217)
Total	<u>\$ 977</u>	<u>\$ 1,064</u>

(20) Other Revenue

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023
Subsidy	\$ 2,400	\$ 14
Miscellaneous income	<u>214</u>	<u>249</u>
Total	<u>\$ 2,614</u>	<u>\$ 263</u>
	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Subsidy	\$ 5,094	\$ 1,214
Miscellaneous income	<u>434</u>	<u>459</u>
Total	<u>\$ 5,528</u>	<u>\$ 1,673</u>

(21) Other Gains and Losses

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023
Net foreign exchange gains	\$ 1,317	\$ 1,327
Miscellaneous expenditure	(1)	(23)
	<u>\$ 1,316</u>	<u>\$ 1,304</u>
	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Net foreign exchange gains	\$ 3,921	\$ 280
Miscellaneous expenditure	(3)	(68)
	<u>\$ 3,918</u>	<u>\$ 212</u>

(22) Additional Information on the Nature of Expenses

	For the Three Months Ended June 30, 2024		
	Operating Costs	Operating Expenses	Total
Employee benefits expenses	\$ 25,919	\$ 73,255	\$ 99,174
Depreciation expense (note)	3,837	10,719	14,556
Amortization expenses	137	302	439
	For the Three Months Ended June 30, 2023		
	Operating Costs	Operating Expenses	Total
Employee benefits expenses	\$ 26,099	\$ 71,016	\$ 97,115
Depreciation expense (note)	3,007	10,836	13,843
Amortization expenses	138	178	316
	For the Six Months Ended June 30, 2024		
	Operating Costs	Operating Expenses	Total
Employee benefits expenses	\$ 51,829	\$ 143,629	\$ 195,458
Depreciation expense (note)	7,590	21,609	29,199
Amortization expenses	275	568	843
	For the Six Months Ended June 30, 2023		
	Operating Costs	Operating Expenses	Total
Employee benefits expenses	\$ 52,838	\$ 144,101	\$ 196,939
Depreciation expense (note)	6,009	21,680	27,689
Amortization expenses	277	373	650

Note: This includes depreciation expenses on right-of-use assets for the three months ended June 30, 2024, and 2023, and for the six months ended June 30, 2024, and 2023, which are NT\$1,507, NT\$1,504, NT\$2,983, and NT\$3,012, respectively. The depreciation expenses for investment properties are NT\$111, NT\$107, NT\$218, and NT\$217, respectively.

(23) Employee Benefits Expenses

For the Three Months Ended June 30, 2024			
	Operating Costs	Operating Expenses	Total
Salaries	\$ 20,728	\$ 60,223	\$ 80,951
Labor and health insurance	2,448	5,125	7,573
Pension	1,111	3,963	5,074
Other employee benefits	<u>1,632</u>	<u>3,944</u>	<u>5,576</u>
	<u>\$ 25,919</u>	<u>\$ 73,255</u>	<u>\$ 99,174</u>
For the Three Months Ended June 30, 2023			
	Operating Costs	Operating Expenses	Total
Salaries	\$ 20,943	\$ 58,757	\$ 79,700
Labor and health insurance	2,607	5,168	7,775
Pension	1,116	3,706	4,822
Other employee benefits	<u>1,433</u>	<u>3,385</u>	<u>4,818</u>
	<u>\$ 26,099</u>	<u>\$ 71,016</u>	<u>\$ 97,115</u>
For the Six Months Ended June 30, 2024			
	Operating Costs	Operating Expenses	Total
Salaries	\$ 41,384	\$ 118,010	\$ 159,394
Labor and health insurance	4,870	9,919	14,789
Pension	2,257	7,831	10,088
Other employee benefits	<u>3,318</u>	<u>7,869</u>	<u>11,187</u>
	<u>\$ 51,829</u>	<u>\$ 143,629</u>	<u>\$ 195,458</u>
For the Six Months Ended June 30, 2023			
	Operating Costs	Operating Expenses	Total
Salaries	\$ 42,813	\$ 120,267	\$ 163,080
Labor and health insurance	4,951	9,885	14,836
Pension	2,218	7,372	9,590
Other employee benefits	<u>2,856</u>	<u>6,577</u>	<u>9,433</u>
	<u>\$ 52,838</u>	<u>\$ 144,101</u>	<u>\$ 196,939</u>

1. According to the Company's Articles of Incorporation, after deducting accumulated losses from the annual profit, if a balance remains, the Company should allocate 3%~12% for employee compensation and no more than 3% for directors' remuneration.
2. For the three months ended June 30, 2024, and 2023, and for the six months ended June 30, 2024, and 2023, the estimated amounts of the employee compensation were NT\$2,528, NT\$970, NT\$3,113, and NT\$5,350, respectively. The estimated amounts of the directors' remuneration were NT\$316, NT\$99, NT\$389, and NT\$669, respectively. The aforementioned amounts were recorded under salary expense.

For the periods from January 1 to June 30, 2024, the employee compensation is estimated at 6% and 1%, respectively, based on the profit situation up to that date.

The employee compensation and directors' remuneration for 2023, as approved by the Board of Directors, are consistent with the amounts recognized in the 2023 financial statements.

Information on employee compensation and directors' remuneration approved by the Company's Board of Directors is available on the Market Observation Post System (MOPS).

(24) Income Tax

1. Income Tax Expense

(1) The components of income tax expense:

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023
Current income tax:		
Income tax incurred in current period	\$ 8,102	\$ 4,234
Additional income tax on undistributed surplus	911	2,718
Prior year's income tax overestimation	(596)	(2,919)
Total income tax for the current period	<u>8,417</u>	<u>4,033</u>
Deferred income tax:		
Origination and reversal of temporary differences	(1,268)	(3,625)
Total deferred income tax	(1,268)	(3,625)
Income Tax Expense	<u>\$ 7,149</u>	<u>\$ 408</u>
	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Current income tax:		
Income tax incurred in current period	\$ 14,317	\$ 14,064
Additional income tax on undistributed surplus	911	2,718
Prior year's income tax overestimation	(596)	(2,919)
Total income tax for the current period	<u>14,632</u>	<u>13,863</u>
Deferred income tax:		
Origination and reversal of temporary differences	(5,064)	(4,262)
Total deferred income tax	(5,064)	(4,262)
Income Tax Expense	<u>\$ 9,568</u>	<u>\$ 9,601</u>

(2) Income tax related to other comprehensive income:

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023
Changes in financial assets measured at fair value through other comprehensive income	\$ 165	(\$ 135)
Exchange differences of foreign operations	210	(898)
	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Changes in financial assets measured at fair value through other comprehensive income	\$ 214	\$ 122
Exchange differences of foreign operations	678	(752)

(3) Income tax amounts directly debited or credited to equity: None.

2. The Company's business income tax has been assessed and approved by the tax authorities up to the year 2022.

(25) Earnings per Share

Earnings per common share

For the Three Months Ended June 30, 2024			
	After-tax Amount	Weighted average outstanding Number of Outstanding Shares (Thousand shares)	Earnings Per Share (NTD)
<u>Basic earnings per share</u>			
Current net profit attributable to common shareholders of the parent company	\$ 27,020	63,966	\$ 0.42
<u>Diluted earnings per share</u>			
Current net profit attributable to common shareholders of the parent company	\$ 27,020	63,966	
Effects of potential ordinary shares with a dilutive effect			
Employee compensation	-	61	
Current net profit attributable to common shareholders of the parent company			
Plus the effects of potential ordinary shares	\$ 27,020	64,027	\$ 0.42
For the Three Months Ended June 30, 2023			
	After-tax Amount	Weighted Average Outstanding Number of Outstanding Shares (Thousand shares)	Earnings per Share (NTD)
<u>Basic earnings per share</u>			
Current net profit attributable to common shareholders of the parent company	\$ 2,435	63,966	\$ 0.04
<u>Diluted earnings per share</u>			
Current net profit attributable to common shareholders of the parent company	\$ 2,435	63,966	
Effects of potential ordinary shares with a dilutive effect			
Employee compensation	-	79	
Current net profit attributable to common shareholders of the parent company			
Plus the effects of potential ordinary shares	\$ 2,435	64,045	\$ 0.04

For the Six Months Ended June 30, 2024			
	After-tax Amount	Weighted Average Outstanding Number of Outstanding Shares (Thousand shares)	Earnings per Share (NTD)
<u>Basic earnings per share</u>			
Current net profit attributable to common shareholders of the parent company	\$ 36,696	63,966	\$ 0.57
<u>Diluted earnings per share</u>			
Current net profit attributable to common shareholders of the parent company	\$ 36,696	63,966	
Effects of potential ordinary shares with a dilutive effect			
Employee compensation	-	121	
Current net profit attributable to common shareholders of the parent company			
Plus the effects of potential ordinary shares	\$ 36,696	64,087	\$ 0.57

For the Six Months Ended June 30, 2023			
	After-tax Amount	Weighted Average Outstanding Number of Outstanding Shares (Thousand shares)	Earnings per Share (NTD)
<u>Basic earnings per share</u>			
Current net profit attributable to common shareholders of the parent company	\$ 39,206	63,966	\$ 0.61
<u>Diluted earnings per share</u>			
Current net profit attributable to common shareholders of the parent company	\$ 39,206	63,966	
Effects of potential ordinary shares with a dilutive effect			
Employee compensation	-	244	
Current net profit attributable to common shareholders of the parent company plus the effects of potential common shares	\$ 39,206	64,210	\$ 0.61

Note: The weighted-average number of outstanding shares for the six months ended June 30, 2023, has been retrospectively adjusted based on the 10% stock dividend rate for 2023.

(26) Additional Information on Cash Flows

1. Investing Activities with Only Partial Cash Payments

	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Acquisition of property, plant, and equipment	\$ 9,343	\$ 14,625
Plus: Beginning equipment payable	2,360	2,754
Less: Ending equipment payable	(2,226)	(1,108)
Cash paid during the current period	<u>\$ 9,477</u>	<u>\$ 16,271</u>

2. Financing Activities with no Impact on Cash Flows

	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Cash dividends declared but not yet paid	<u>\$ 63,966</u>	<u>\$ 87,226</u>

(27) Changes in Liabilities from Financing Activities

	2024			
	Short-Term Debt	Long-Term Debt	Lease Liabilities	From Financing Activities Total Liabilities
January 1	\$ 120,000	\$ 70,000	\$ 5,874	\$ 195,874
Changes in cash flows from financing activities	(50,000)	-	(2,176)	(52,176)
The effects of changes in foreign exchange rates	-	-	147	148
Other non-cash changes	-	-	318	318
June 30	<u>\$ 70,000</u>	<u>\$ 70,000</u>	<u>\$ 4,163</u>	<u>\$ 144,164</u>

	2023			
	Short-Term Debt	Long-Term Debt	Lease Liabilities	From Financing Activities Total Liabilities
January 1	\$ 70,000	\$ 32,000	\$ 5,511	\$ 107,511
Changes in cash flows from financing activities	50,000	(16,000)	(2,205)	31,795
The effects of changes in foreign exchange rates	-	-	(118)	(118)
Other non-cash changes	-	-	788	788
June 30	<u>\$ 120,000</u>	<u>\$ 16,000</u>	<u>\$ 3,976</u>	<u>\$ 139,976</u>

7. Related Party Transactions

(1) Names and Relationships of the Related Parties

<u>Name of the Related Party</u>	<u>Relationship with the Group</u>
Yeh, Nai-Ti	The Company's Chairman
Chen, Ruei-Yu	The spouse of the Company's Chairman (Note)
Hsiao, Po-Ling	The spouse of the Company's Vice President
Chen, Jui-Hsiang	The Company's Vice President
Chen, Ching-Hua	First degree relative of the Company's Vice President
Chairman, President, and Vice Presidents, who are the key management of the Company	Key management of the Group

Note: Previously served as a director and president of the Company and resigned in May 2024.

(2) Significant Transactions with Related Parties

Rent Expenses

	<u>For the Three Months Ended June 30, 2024</u>	<u>For the Three Months Ended June 30, 2023</u>
Rent expenses		
Chen, Ruei-Yu	\$ 355	\$ 348
Yeh, Nai-Ti	364	361
Chen, Jui-Hsiang	174	171
Close family members of key management personnels	341	334
	<u>\$ 1,234</u>	<u>\$ 1,214</u>
	<u>For the Six Months Ended June 30, 2024</u>	<u>For the Six Months Ended June 30, 2023</u>
Rent expenses		
Chen, Ruei-Yu	\$ 702	\$ 701
Yeh, Nai-Ti	725	725
Chen, Jui-Hsiang	344	344
Close family members of key management personnels	675	674
	<u>\$ 2,446</u>	<u>\$ 2,444</u>

- (1) The aforementioned rent is the general rent paid for renting an office, determined with reference to the general market price and payable on a monthly basis.

- (2) The Group leases dormitories in Korea from the Company's Chairman, Yeh, Nai-Ti, with a refundable deposit of US\$350,000, recorded under other non-current assets.

(3) Compensation for the Main Management

	For the Three Months Ended June 30, 2024	For the Three Months Ended June 30, 2023
Short-term employee benefits	\$ 5,935	\$ 5,518
Post-employment benefits	213	216
Total	<u>\$ 6,148</u>	<u>\$ 5,734</u>
	For the Six Months Ended June 30, 2024	For the Six Months Ended June 30, 2023
Short-term employee benefits	\$ 11,553	\$ 11,984
Post-employment benefits	438	431
Total	<u>\$ 11,991</u>	<u>\$ 12,415</u>

8. Assets Pledged as Security

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

Name of Assets	June 30, 2024	December 31, 2023	June 30, 2023	Purpose of Collateral
Land	\$ 125,500	\$ 125,500	\$ 125,500	Long-Term Debt
Buildings	152,154	161,095	171,364	Long-Term Debt

9. Significant Commitments and Contingencies

(1) Contingency

None.

(2) Commitment

- On June 30, 2024, December 31, 2023, and June 30, 2023, the Company had performance guarantees totaling NT\$15,600, NT\$11,600, and NT\$600, respectively, provided to the Customs Administration of the Ministry of Finance and the Taiwan Small and Medium Enterprise Counseling Foundation, which were guaranteed by banks.
- As of June 30, 2024, December 31, 2023, and June 30, 2023, the Company had outstanding amounts of NT\$17,476, NT\$18,755, and NT\$25,147, respectively, for equipment and plant construction undersigned contracts.

10. Losses Due to Major Disasters

None.

11. Significant Subsequent Events

None.

12. Others

(1) Capital Management

The Group's capital management objectives are to ensure the Group maintains an optimal capital structure to reduce the cost of capital and provide returns for shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. The Group monitors its capital using a debt-to-equity ratio, which is calculated by dividing total liabilities by total net value.

The Group's strategy for 2024 remains the same as 2023, aiming to maintain a reasonable and safe level for its debt-to-equity ratio. As of June 30, 2024, December 31, 2023 and June 30, 2023, the debt-to-equity ratio of the Group was as follows:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Total Liabilities	\$ 413,979	\$ 403,958	\$ 493,031
Total net value	1,249,951	1,273,656	1,218,977
Debt to equity ratio	33%	32%	40%

(2) Financial Instruments

1. Category of Financial Instruments

	<u>June 30, 2024</u>	<u>December 31, 2023</u>	<u>June 30, 2023</u>
<u>Financial Assets</u>			
Financial assets measured at fair value through other comprehensive income			
Equity instrument investments elected to be designated	<u>\$ 17,376</u>	<u>\$ 16,307</u>	<u>\$ 14,944</u>
Financial assets at amortized cost/loans and receivables			
Cash and Cash Equivalents	\$ 135,011	\$ 91,238	\$ 80,019
Notes receivable	6,621	5,287	6,520
Accounts receivable	122,781	91,101	73,458
Other Receivables	478	39	744
Refundable deposits	<u>12,377</u>	<u>11,900</u>	<u>12,046</u>
	<u>\$ 277,268</u>	<u>\$ 199,565</u>	<u>\$ 172,787</u>

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial Liabilities</u>			
Financial liabilities at amortized cost			
Short-term debt	\$ 70,000	\$ 120,000	\$ 120,000
Accounts payable	34,131	37,899	69,077
Other Payables	166,908	88,164	210,442
Long-term loans (including portions maturing within one year or one operating cycle)	70,000	70,000	16,000
Deposits received	431	641	634
	<u>\$ 341,470</u>	<u>\$ 316,704</u>	<u>\$ 416,153</u>
Lease liabilities (including portions maturing within one year or one operating cycle)	<u>\$ 4,163</u>	<u>\$ 5,874</u>	<u>\$ 3,976</u>

2. Risk Management Policies

- (1) The Group's daily operations are affected by a variety of financial risks, including market risk (such as exchange rate risk, interest rate risk and price risk), credit risk, and liquidity risk.
- (2) Risk management is carried out by the Group's Finance Department in accordance with the policies approved by the Board of Directors. The Group's Finance Department is responsible for identifying, assessing and avoiding financial risks through close cooperation with operating units. The Board of Directors has established written principles for overall risk management and policies on specific areas and issues, such as exchange rate risk, interest rate risk, credit risk, the use of both derivative and non-derivative financial instruments, and the investment of residual current capital.

3. The Nature and Extent of Significant Financial Risks

(1) Market Risk

Exchange Rate Risk

- A. The Group operates internationally and is exposed to exchange rate risk arising from transactions in currencies other than the functional currency of the Company and its subsidiaries, primarily the USD and RMB. The exchange rate risk arises from future commercial trading and recognized assets and liabilities.
- B. The Group's management has set policies requiring companies within the Group to manage their exchange rate risk against their functional currencies. The companies shall hedge their overall exchange rate risk through the Group's Finance Department.

- C. The Group operates businesses involving certain non-functional currencies (with the functional currencies of the Company and certain subsidiaries being NTD, while the functional currencies of other subsidiaries being RMB), and is therefore affected by fluctuations in exchange rates. Information on foreign currency assets and liabilities significantly impacted by these fluctuations is as follows:

June 30, 2024			
	Foreign Currency (NT\$ thousand)	Exchange Rate	Carrying Amounts (NT\$)
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NT\$	\$ 1,624	32.45	\$ 52,699
December 31, 2023			
	Foreign Currency (NT\$ thousand)	Exchange Rate	Carrying Amounts (NT\$)
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NT\$	\$ 1,332	30.71	\$ 40,906
June 30, 2023			
	Foreign Currency (NT\$ thousand)	Exchange Rate	Carrying Amounts (NT\$)
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NT\$	\$ 1,610	31.14	\$ 50,139

- D. An explanation of the significant unrealized foreign exchange gains or losses arising from exchange rate fluctuations on the monetary items of the Group is as follows:

For the Three Months Ended June 30, 2024			
Foreign Exchange net Gain or Loss			
	Foreign Currency (NT\$ thousand)	Exchange Rate	Carrying Amounts
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NT\$	\$ -	32.45	(\$ 557)
For the Three Months Ended June 30, 2023			
Foreign Exchange net Gain or Loss			
	Foreign Currency (NT\$ thousand)	Exchange Rate	Carrying Amounts
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NT\$	\$ -	31.14	\$ 754
For the Six Months Ended June 30, 2024			
Foreign Exchange net Gain or Loss			
	Foreign Currency (NT\$ thousand)	Exchange Rate	Carrying Amounts
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NT\$	\$ -	32.45	\$ 233
For the Six Months Ended June 30, 2023			
Foreign Exchange net Gain or Loss			
	Foreign Currency (NT\$ thousand)	Exchange Rate	Carrying Amounts
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NT\$	\$ -	31.14	\$ 712

- E. The analysis of the Group's foreign currency market risk arising from significant fluctuations in exchange rates is as follows:

For the Six Months Ended June 30, 2024			
Sensitivity Analysis			
			Impact on Others
	Range in Change	Impact on Profit or Loss	Comprehensive Income
(Foreign currency :Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NT\$	1%	\$ 527	\$ -
For the Six Months Ended June 30, 2023			
Sensitivity Analysis			
			Impact on Others
	Range in Change	Impact on Profit or Loss	Comprehensive Income
(Foreign currency: Functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD: NT\$	1%	\$ 501	\$ -

Price Risk

The Group's equity instruments exposed to price risk are financial assets measured at fair value through other comprehensive income.

Cash Flow and Fair Value Interest Rate Risk

- A. The Group's interest rate risk primarily arises from long-term and short-term borrowings issued at floating interest rates, exposing the Group to cash flow interest rate risk. The Group's borrowings issued at floating interest rates for the six months ended June 30, 2024, and 2023, were primarily denominated in New Taiwan dollars.
- B. The Group's borrowings are measured at amortized cost, and the interest rates are repriced annually according to the contract terms, exposing the Group to the risk of future fluctuations in market interest rates.
- C. With a 1% increase or decrease in New Taiwan Dollars borrowing interest rate, while keeping all other factors unchanged, the net profit after tax for the six months ended June 30, 2024, and 2023, would decrease or increase

by NT\$560 and NT\$544, respectively. This is mainly due to changes in interest expenses from floating-rate borrowings.

(2) Credit Risk

- A. The Group's credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The risk primarily arises from the inability of the counterparty to settle accounts receivable, notes receivable, and contractual cash flows from financial assets measured at amortized cost in accordance with the agreed payment terms.
- B. The Group has established credit risk management from a corporation perspective. For banks and financial institutions, only those with good credit ratings and no significant violations in recent times are accepted as trading partners. According to the Group's internal credit policies, each operating entity within the Group must manage and conduct credit risk analysis for new customers before establishing payment and delivery terms and conditions. Internal risk control is conducted by assessing the credit quality of customers, taking into account their financial position, past experience, and other relevant factors. Individual risk limits are set by the Board of Directors based on internal or external ratings, and the usage of credit facilities is regularly monitored.
- C. The Company applies the IFRS9 presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due.
- D. After the Group's recovery procedures, the amounts related to financial assets that cannot be reasonably expected to be recovered are written off. However, the Group will continue to engage in enforcement activity to safeguard its claim rights. The amounts of receivables written off by the Group and still under enforcement activity as of June 30, 2024, December 31, 2023, and June 30, 2023, were \$0, \$0 and \$0, respectively.
- E. The Group's indicators for determining whether debt instrument investments are credit-impaired are as follows:
 - a. The issuer is experiencing significant financial difficulties or is increasingly likely to enter bankruptcy or other financial reorganization.
 - b. The disappearance of an active market for that financial asset due to the issuer's financial difficulties.

- c. Failure of the issuer to pay interest or principal.
 - d. Adverse changes in national or regional economic conditions that lead to the issuer's default.
- F. The Group categorizes accounts receivable and notes receivable based on customer ratings and characteristics, using the simplified approach to estimate expected credit losses based on provisioning matrices.
- G. The Group considers forward-looking adjustments and estimates the loss allowance for accounts receivable and notes receivable based on the loss rates established by historical and current information for specific periods. The provisioning matrices as of June 30, 2024, December 31, 2023, and June 30, 2023 are as follows:

	<u>Not overdue</u>	<u>1-30 days</u>	<u>31-90 days</u>	<u>90-180 days</u>	<u>More than 181 days</u>	<u>Total</u>
<u>June 30, 2024</u>						
Expected loss rate	0.0004% ~0.4931%	0.0158% ~2.0512%	1.2269% ~8.3333%	0.0001% ~2.7778%	0%	
Total book value	\$ 122,678	\$ 5,896	\$ 841	\$ 12	\$ -	\$ 129,427
Allowance for losses	22	1	2	-	-	25
	<u>Not overdue</u>	<u>1-30 days</u>	<u>31-90 days</u>	<u>90-180 days</u>	<u>More than 181 days</u>	<u>Total</u>
<u>December 31, 2023</u>						
Expected loss rate	0.0007% ~0.4508%	0.0229% ~2.2007%	0.0001% ~12.5%	0%	0%	
Total book value	\$ 93,627	\$ 2,242	\$ 557	\$ -	\$ -	\$ 96,426
Allowance for losses	38	-	-	-	-	38
	<u>Not overdue</u>	<u>1-30 days</u>	<u>31-90 days</u>	<u>90-180 days</u>	<u>More than 181 days</u>	<u>Total</u>
<u>June 30, 2023</u>						
Expected loss rate	0.0009% ~0.1361%	0.0297% ~0.4811%	3.7251% ~5.3251%	0%	0%	
Total book value	\$ 74,481	\$ 5,504	\$ 8	\$ -	\$ -	\$ 79,993
Allowance for losses	14	1	-	-	-	15

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

		2024	
		Accounts Receivable	Notes Receivable
January 1	\$	1	\$ 37
Impairment loss (reversal)		3	(16)
Effects of exchange		-	-
June 30	\$	<u>4</u>	<u>\$ 21</u>
		2023	
		Accounts Receivable	Notes Receivable
January 1	\$	54	\$ 42
Impairment loss (reversal)	(52)	(29)
Effects of exchange		-	-
June 30	\$	<u>2</u>	<u>\$ 13</u>

(3) Liquidity Risk

- A. Cash flow forecasts are prepared by the operating entities within the Group and then consolidated by the Group's finance department. The Group's finance department monitors forecasts of the Group's liquidity requirements to ensure there are sufficient funds to support operational needs and maintain adequate undrawn borrowing facilities at all times. This helped prevent breaches of relevant borrowing limits or terms. The forecasts consider the Group's debt financing plans, compliance with debt terms, adherence to financial ratio targets on the internal balance sheet, and external regulatory requirements, such as foreign exchange controls.
- B. Any excess cash held by the operating entities beyond what is needed for working capital management will be remitted to the Group's finance department. The Group's finance department will invest the remaining funds in interest-bearing demand deposits, time deposits, money market deposits, and securities. The instruments selected will have appropriate maturities or sufficient liquidity to meet the aforementioned forecasts and ensure adequate liquidity management.
- C. The following table categorizes the Group's non-derivative financial liabilities by their respective maturity dates. The non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contractual maturity date. The contractual cash flow amounts disclosed in the table below are undiscounted amounts.

Non-derivative financial liabilities:

	Less than 1 year	1 - 2 years	2 - 5 years	Over 5 years
June 30, 2024				
Short-term debt	\$ 70,000	\$ -	\$ -	\$ -
Accounts payable	34,131	-	-	-
Other Payables	166,908	-	-	-
Lease liabilities (due within 1 year)	3,227	936	-	-
Long-term loans (due within 1 year)	1,722	1,722	70,431	-

Non-derivative financial liabilities:

	Less than 1 year	1 - 2 years	2 - 5 years	Over 5 years
December 31, 2023				
Short-term debt	\$ 120,000	\$ -	\$ -	\$ -
Accounts payable	37,899	-	-	-
Other Payables	88,164	-	-	-
Lease liabilities (due within 1 year)	3,811	2,063	-	-
Long-term loans (due within 1 year)	1,634	1,635	71,226	-

Non-derivative financial liabilities:

	Less than 1 year	1 - 2 years	2 - 5 years	Over 5 years
June 30, 2023				
Short-term debt	\$ 120,000	\$ -	\$ -	\$ -
Accounts payable	69,077	-	-	-
Other Payables	210,442	-	-	-
Lease liabilities (due within 1 year)	2,585	1,391	-	-
Long-term loans (due within 1 year)	16,070	-	-	-

(3) Fair Value Information

1. The definitions of the different levels of valuation techniques adopted for measuring fair value of financial and non-financial instruments are as follows:

Level 1: The quoted prices (unadjusted) in active markets for identical assets or liabilities to the entity at the measurement date. An active market refers to a market in which transactions of assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs for assets or liabilities, either directly or indirectly, excluding quoted prices included in Level 1.

Level 3: Unobservable inputs for the assets or liabilities. The equity instruments invested by the Group that have no active market fall under this level.

2. Please refer to Note 6(8) for information on the fair value of investment properties measured at cost.
3. Financial instruments not measured at fair value

Include cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables, lease liabilities, and long-term borrowings, their carrying amounts are reasonable approximations of their fair values.

4. For financial instruments measured at fair value, the Group categorizes based on the nature, characteristics, and risks of the assets and liabilities, with relevant information provided as follows:

- (1) The Group categorizes assets and liabilities according to their nature, with the relevant information provided as follows:

June 30, 2024	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets measured at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ 17,376	\$ 17,376
December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets measured at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ 16,307	\$ 16,307
June 30, 2023	Level 1	Level 2	Level 3	Total
Assets				
<u>Recurring fair value</u>				
Financial assets measured at fair value through other comprehensive income				
Equity securities	\$ -	\$ -	\$ 14,944	\$ 14,944

- (2) The methods and assumptions used by the Group to measure fair value are as follows:
- A. The Group's valuation assessment covers the total value of individual assets and individual liabilities, reflecting the overall value of the enterprise or business. It estimates the consideration required to reorganize or acquire the valuation target under the going concern premise.
 - B. The outputs of the valuation models are estimated approximate values, and the valuation techniques may not reflect all relevant factors of the financial instruments and non-financial instruments held by the Group. Therefore, the estimated values of the valuation models will be appropriately adjusted based on additional parameters, such as model risk or liquidity risk.
5. There were no transfers between the level 1 and 2 for the six months ended June 30, 2024, and 2023.
 6. There were no level 3 transfers for the six months ended June 30, 2024, and 2023.
 7. The Group's valuation process for fair value categorized under Level 3 is managed by the management segment, which is responsible for independently verifying the fair value of financial instruments. This involves using independent source data to ensure that the valuation results align closely with market conditions. The process includes confirming that the data sources are independent, reliable, and consistent with other resources, as well as making any necessary adjustments in fair value to ensure that the valuation results are reasonable.
 8. The quantitative information on significant unobservable inputs used in the valuation models for items measured at fair value categorized under Level 3, as well as sensitivity analysis of changes in these significant unobservable inputs, is provided as follows:

June 30, 2024				
Fair Value	Valuation Technique	Significant Unobservable Input	Interval (Weighted average)	Relations Between Input and Fair Value
Non-derivative equity instruments:				
None-listed company stock	Net asset value method	N/A.	N/A.	The higher the net asset value, the higher the fair value
<u>\$ 17,376</u>				

December 31, 2023				
Fair Value	Valuation Technique	Significant Unobservable Input	Interval (Weighted average)	Relations Between Input and Fair Value
Non-derivative equity instruments:				
None-listed company stock	Net asset value method	N/A.	N/A.	The higher the net asset value, the higher the fair value
<u>\$ 16,307</u>				
June 30, 2023				
Fair Value	Valuation Technique	Significant Unobservable Input	Interval (Weighted average)	Relations Between Input and Fair Value
Non-derivative equity instruments:				
None-listed company stock	Net asset value method	N/A.	N/A.	The higher the net asset value, the higher the fair value
<u>\$ 14,944</u>				

9. The Group has carefully assessed and selected the valuation model and parameters used, therefore ensuring that the fair value measurements are reasonable. However, using different valuation models or parameters may result in different valuation outcome.

13. Notes to the Disclosures

(1) Information on Significant Transactions

- Loans to others: None.
- Endorsements or guarantees provided: None.
- Securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures): Please refer to Table 1.
- Accumulative amount of purchases or sales of the same securities reaches NT\$300 million or exceeds 20% of the paid-in capital: None.
- Acquisition of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- Disposal of real estate reaching NT\$300 million or 20% of paid-in capital or more: None.
- The amount of transactions with related parties reaches NT\$100 million or exceeds 20% of the paid-in capital: None.
- Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more: None.

9. Trading in derivative instruments: None.

10. Significant intercompany businesses and significant transactions between the parent company, its subsidiaries, or among the subsidiaries: Please refer to Table 2.

(2) Information on Investees

Details of investee companies' names, locations, and other relevant information (excluding those in mainland China): Please refer to Table 3.

(3) Information on Investment in Mainland China

1. Basic information: Please refer to Table 4.

2. Significant transactions occurring directly or indirectly through third parties, with investee companies in mainland China: Please refer to Table 2.

(4) Details of Major Shareholders

For issuers whose stocks are listed and traded on securities exchanges, disclose the names, number of shares, and percentage of shareholders who own more than 5% of the issuer's shares: Please refer to Table 5.

14. Segment Information

(1) General Information

The Group's management has identified the reportable segment based on the information used by the chief operating decision maker to make strategic decisions. The Group operates its business from the perspective of individual entities. Currently, the Group focuses on sales and profitability of the Company's separate financial statements, and the separate financial statements of its subsidiaries, Shanghai Jinhong and Hong Tong. The primary revenue sources of the Group's operating segments are from the manufacturing and sale of industrial computer controllers and related products.

(2) Segment Information

The reportable segment information provided to the chief operating decision-maker is as follows:

For the Six Months Ended June 30, 2024	The Company	Second-tier Subsidiary	Second-tier Subsidiary	Others	Adjustments (Note)	Total
		Shanghai Golden ICPDAS	ICP DAS (Wuhan)			
Revenue from external customers	\$ 424,147	\$ 58,766	\$ 365	\$ 3,267	\$ -	\$ 486,545
Revenue from internal customers	37,875	-	7,448	-	(45,323)	-
Segment revenue	<u>\$ 462,022</u>	<u>\$ 58,766</u>	<u>\$ 7,813</u>	<u>\$ 3,267</u>	<u>(\$ 45,323)</u>	<u>\$ 486,545</u>
Segment gross margin	<u>\$ 250,836</u>	<u>\$ 21,480</u>	<u>(\$ 161)</u>	<u>(\$ 14,478)</u>	<u>(\$ 2,470)</u>	<u>\$ 255,207</u>
Segment profit or loss	<u>\$ 95,679</u>	<u>(\$ 2,695)</u>	<u>(\$ 3,361)</u>	<u>(\$ 49,416)</u>	<u>\$ 6,057</u>	<u>\$ 46,264</u>
Depreciation and amortization expenses	<u>(\$ 7,037)</u>	<u>(\$ 2,272)</u>	<u>(\$ 1,476)</u>	<u>(\$ 19,257)</u>	<u>\$ -</u>	<u>(\$ 30,042)</u>
Income Tax Expense	<u>(\$ 9,568)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 9,568)</u>
Segment assets	<u>\$ 1,652,759</u>	<u>\$ 75,884</u>	<u>\$ 68,605</u>	<u>\$ -</u>	<u>(\$ 133,318)</u>	<u>\$ 1,663,930</u>

For the Six Months Ended June 30, 2023	The Company	Second-tier Subsidiary	Second-tier Subsidiary	Others	Adjustments (Note)	Total
		Shanghai Golden ICPDAS	ICP DAS (Wuhan)			
Revenue from external customers	\$ 419,926	\$ 63,916	\$ 2,577	\$ 1,570	\$ -	\$ 487,989
Revenue from internal customers	29,914	-	11,353	-	(\$ 41,267)	-
Segment revenue	<u>\$ 449,840</u>	<u>\$ 63,916</u>	<u>\$ 13,930</u>	<u>\$ 1,570</u>	<u>(\$ 41,267)</u>	<u>\$ 487,989</u>
Segment gross margin	<u>\$ 248,507</u>	<u>\$ 17,829</u>	<u>\$ 3,000</u>	<u>(\$ 9,073)</u>	<u>\$ 149</u>	<u>\$ 260,412</u>
Segment profit or loss	<u>\$ 85,778</u>	<u>(\$ 8,010)</u>	<u>(\$ 310)</u>	<u>(\$ 37,022)</u>	<u>\$ 8,371</u>	<u>\$ 48,807</u>
Depreciation and amortization expenses	<u>(\$ 6,666)</u>	<u>(\$ 2,313)</u>	<u>(\$ 1,520)</u>	<u>(\$ 17,840)</u>	<u>\$ -</u>	<u>(\$ 28,339)</u>
Income Tax Expense	<u>(\$ 9,550)</u>	<u>(\$ 51)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 9,601)</u>
Segment assets	<u>\$ 1,698,877</u>	<u>\$ 75,066</u>	<u>\$ 73,135</u>	<u>\$ -</u>	<u>(\$ 135,070)</u>	<u>\$ 1,712,008</u>

Note: The segment information reported to the chief operating decision-maker has not yet eliminated inter-segment revenue, segment profit or loss, and segment assets.

(3) Reconciliation of Information for Segment Profit or Loss, Assets and Liabilities

Sales between segments are conducted in accordance with the principle of fair value transactions. The external revenue reported to the chief operating decision-maker is measured in a manner consistent with the revenue in the income statement. The profit and loss of the reportable segments reviewed by the chief operating decision maker are consistent with those of the continuing operations of the enterprise. The segment assets match those reported in the individual financial statements, thereby no reconciliation is necessary.

ICP DAS CO., LTD. AND SUBSIDIARIES

Status of securities held at period-end (excluding investments in subsidiaries, associates and jointly controlled entities)

June 30, 2024

Table 1

Unit: NT\$ Thousand (Unless otherwise specified)

Company with Securities Holdings	Types and Names of Securities	Relationship with Securities Issuers	Account Item	At the end of the Period				
				Number of Shares	Carrying Amounts	Shareholding Ratio	Fair Value	Note
The Company	ICPDASEUROPEGmbH	None	Financial assets measured at fair value through other comprehensive income	4,500	\$ 9,378	18	\$ 9,378	Unencumbered
The Company	ICPDASUSAINC	None	“	1,800	7,998	18	7,998	Unencumbered

ICP DAS CO., LTD. AND SUBSIDIARIES

Business relationships, significant intercompany transactions, and their amounts between the parent company, its subsidiaries, and among subsidiaries
For the six months ended June 30, 2024

Table 2

Unit: NT\$ Thousand (Unless otherwise specified)

No. (Note 1)	Name of Transaction Party	Transaction Counterparty	Relationship with Issuer (Note 2)	Transaction Details			Ratio of Consolidated Total Operating Revenues or Total Assets (Note 3)
				Account Item	Amount (Note 5)	Transaction Terms	
0	The Company	Shanghai Golden ICPDAS	1	Sales revenue	\$ 30,195	(Note 4)	6%
0	The Company	Shanghai Golden ICPDAS	1	Accounts receivable	4,631	(Note 4)	0%
0	The Company	ICP DAS(Wuhan)	1	Sales revenue	7,680	(Note 4)	2%
0	The Company	ICP DAS(Wuhan)	1	Accounts receivable	3,784	(Note 4)	0%
1	ICP DAS(Wuhan)	Shanghai Golden ICPDAS	3	Sales revenue	7,448	(Note 4)	2%

Note 1: The information on business dealings between the parent company and its subsidiaries should be noted separately in the number column. The numbering method is as follows:

(1) Fill in 0 for parent company.

(2) The subsidiaries shall be numbered sequentially starting from 1 using Arabic numerals, according to their respective companies.

Note 2: Relationship between transaction company and counterparties are classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to Parent company

(3) Between subsidiaries.

Note 3: The calculation of transaction amounts as a percentage of consolidated total revenue or total assets is as follows: For asset or liability items, it is based on the ending balance as a percentage of consolidated total assets. For profit or loss items, it is based on the cumulative amount for the period as a percentage of consolidated total revenue.

Note 4: The sales price is based on the standard price for general customers but is slightly lower. The payment terms are 30 to 120 days, which is comparable to those for general customers.

Note 5: The significant business transactions and activities between the parent company, its subsidiaries, or among subsidiaries for the periods from January 1 to June 30, 2024, are disclosed based on a threshold of NT\$1 million.

ICP DAS CO., LTD. AND SUBSIDIARIES

Relevant information including name and location of the company invested (excluding those in mainland China)

June 30, 2024

Table 3

Unit: NT\$ Thousand (Unless otherwise specified)

Name of Investing Company	Name of Invested Company	Location	Main Business Activities	Initial Investment		Shareholding at the End of the Period			Income for the Current Period of the Invested Entity	Investment Profit or Loss Recognized in the Current Period	Note
				End of the Current Period	End of Last Year	Number of Shares	Ratio	Carrying Amounts			
The Company	ADVANCE AHEAD LTD.	British Virgin Islands	Reinvestment enterprises	\$ 33,161	\$ 33,161	1,000,000	100	\$ 48,221	(\$ 2,696)	(\$ 2,696)	Subsidiary
The Company	ICP DAS INVEST LTD.	British Virgin Islands	Reinvestment enterprises	100,682	100,682	3,200	100	49,971	(3,361)	(3,309)	Subsidiary

ICP DAS CO., LTD. AND SUBSIDIARIES
Information on investment in mainland China - basic information
June 30, 2024

Table 4

Unit: NT\$ Thousand (Unless otherwise specified)

Name of Invested of Mainland China	Main Business Activities	Paid-in Capital (Note 1)	Method of Investment (Note 2)	The Cumulative Amount of Outward Investment from Taiwan at the Beginning of the Current Period	Amount of Investment Remitted or Repatriated for the Current Period		The Cumulative Amount of Outward Investment from Taiwan at the end of the Current Period	Income for the Current Period of the Invested Entity	The Shareholding Ratio Invested Directly or Indirectly by the Company	Investment Profit or Recognized for the Current Period (Note 3)	Period-end Investment Carrying Amount	Investment Income Repatriated as of the end of the Current Period	Note
					Remittance	Repatriation							
Shanghai Golden ICPDAS International Trade Co., Ltd.	International trade of industrial computer controllers and interface cards, entrepot trade, trade among bonded zone enterprises, and trade agencies.	\$ 33,161	2 (ADVANCE AHEAD LTD)	\$ 33,161	\$ -	\$ -	\$ 33,161	(\$ 2,696)	100	(\$ 2,696)	\$ 48,221	\$ -	
ICP DAS(Wuhan) Co., Ltd.	Research, development, production and sales of software, hardware, electronic products, instruments, meters and automatic equipment for the automatic control industry; automation engineering and project reconstruction; related technical services and transfers.	\$ 100,682	2 (ICP DAS INVEST LTD.)	\$ 100,682	\$ -	\$ -	\$ 100,682	(\$ 3,361)	100	(\$ 3,309)	\$ 49,971	\$ -	

Name of Company	Accumulated Amount of Remittance from Taiwan to Mainland China as of the end of the Current Period (Note 4)	Approved Investment Amount by the Investment Commission of the Ministry of Economic Affairs (Note 5)	Investments Limit for Investment in Mainland China According to the Regulations of the Ministry of Economic Affairs Investment Commission
ICP DAS Co., Ltd.	\$ 133,843	\$ 136,290	\$ 749,970

Note 1: The original currencies of paid-in capital are as follows: Shanghai Golden ICPDAS International Trade Co., Ltd.: US\$1,000,000, ICP DAS(Wuhan) Co., Ltd: US\$3,200,000

Note 2: The investment methods are the following three types, indicate the type accordingly:

(1) Direct investment in mainland China

(2) Reinvestment in mainland China through third-region companies

(3) Others

Note 3: Audited by the CPAs of the parent company in Taiwan.

Note 4: The original amount is US\$4,200,000; the amount in New Taiwan Dollars is calculated using the historical exchange rate.

Note 5: The original amount is US\$4,200,000; the amount in New Taiwan Dollars is calculated using the rate of balance sheets.

ICP DAS CO., LTD. AND SUBSIDIARIES

Details of major shareholders

June 30, 2024

Table 5

Name of Major Shareholders	Shares	
	Number of Shares Held	Shareholding Ratio
Chen, Ruei-Yu	8,182,110	12.79%
Tin Hung Investment Co., Ltd.	7,716,140	12.06%
Top Grouping International Co., Ltd	5,140,796	8.03%
Yeh, Nai-Ti	5,074,874	7.93%

Note: The Company obtained this table from the Taiwan Depository & Clearing Corporation.

- (1) The information of principal shareholders in this table is provided by the Taiwan Depository & Clearing Corporation. It calculates the shareholders holding 5% or more of the Company's issued and outstanding common and preferred shares (including treasury shares) as of the last business day of the quarter. As for the discrepancy between the capital stock recorded in the Company's financial statements and the number of shares issued and delivered without physical registration, it may be due to the different bases of calculation used in compiling these statements.
- (2) If the above-mentioned data pertains to shareholders who have entrusted their shareholdings to a trust, it is disclosed in the separate sub-accounts of individual trustors within the trust account opened by the trustee. Regarding shareholders who declare insider shareholdings of more than 10% in accordance with securities trading laws and regulations, their shareholdings include both their own shares and the shares entrusted and over which they have the decision-making power over the use of trust assets. For information on insider shareholding declarations, please refer to the Market Observation Post System. For equity declaration, please refer to the Market Observation Post System.