Promate Solutions Corporation and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2023 and 2022 and Independent Auditors' Review Report

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INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Promate Solutions Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Promate Solutions Corporation and its subsidiaries (collectively, the "Group") as of June 30, 2023 and 2022, the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of review

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

Basis for Qualified Conclusion

As disclosed in Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30,, 2023 and 2022, combined total assets of these non-significant subsidiaries were NT$9,246 thousand and NT$9,925 thousand, respectively, representing 0.43% and 0.58%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were NT$1,300 thousand NT$794 thousand, respectively, representing 0.12% and 0.11%, respectively, of the consolidated total liabilities; for the three-month periods ended June 30, 2023 and 2022, and for the six-month periods ended June 30, 2023 and 2022, the amounts of combined comprehensive income (loss) of these subsidiaries were NT$209 thousand, NT$15 thousand, (NT$ 494), and NT$ 3 thousand, respectively, representing 0.26%,0.04%,0.36%, and 0.003%, respectively, of the total consolidated comprehensive income.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of the consolidated financial position of the Group as of June 30, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows

The engagement partners on the reviews resulting in this independent auditors' review report are Po Jen Weng .and Nai-Hua Kuo

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 4, 2023

<u>*Notice to Readers*</u>

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

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

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2023 (Reviewed)		December 31, 2022 (Audited)		June 30, 2022 (Reviewed)	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 4, 6 and 29)	$ 822,189	38	$ 798,650	46	$ 644,698	37
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 29)	8,495	1	12,167	1	14,371	1
Financial assets at amortized cost - current (Notes 4, 9, 10, 29 and 31)	1,504	-	1,483	-	-	-
Contract assets - current (Notes 4 and 23)	1,227	-	1,856	-	-	-
Notes receivable (Notes 4, 11,23 and 29)	-	-	281	-	-	-
Accounts receivable (Notes 4, 11,23 and 29)	519,411	24	276,216	16	402,907	23
Accounts receivable from related parties (Notes 4, 11, 23,29and 30)	3,985	-	3,229	-	3,030	-
Other receivables (Notes 4, 11 and 29)	35,449	2	35,249	2	23,476	1
Inventories (Note 4 and 12)	528,354	25	399,280	23	424,830	25
Prepayments (Notes 17)	4,546	-	26,165	1	8,906	1
Other current assets (Note 17)	7	-	28	-	-	-
Total current assets	1,925,167	90	1,554,604	89	1,522,218	88
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - noncurrent (Notes 4, 8 ,29and 30)	120,813	6	91,207	5	104,252	6
Property, plant and equipment (Notes 4 and 14)	50,576	2	47,617	3	47,232	3
Right-of-use assets (Notes 4, 15 and 30)	25,063	1	22,748	2	32.757	2
Other intangible assets (Note 4 and16)	3,928	-	3,961	-	4,867	-
Deferred tax assets (Note 25)	22,386	1	17,663	1	9,310	1
Prepayments for business facilities (Notes 17)	-	-	219	-	1,596	-
Guarantee deposits paid (Notes 17 and 29)	648	-	654	-	650	-
Total non-current assets	223,414	10	184,069	11	200,664	12
TOTAL	$ 2,148,581	100	$ 1,738,673	100	$ 1,722,882	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities - current (Notes 4, 19 and 23)	$ 214,139	10	$ 136,367	8	$ 94,455	5
Notes payable (Notes 18 and 29)	36	-	103	-	35	-
Accounts payable (Notes 18 and 29)	265,044	12	195,133	11	218,678	13
Accounts payable to related parties (Notes 18, 29 and 30)	151,730	7	50,987	3	56,830	3
Other payables (Notes 19 and 29)	223,999	11	135,140	8	163,502	10
Other payables - related parties (Notes 19, 29 and 30)	113,617	5	781	-	98,124	6
Current tax liabilities (Notes 27)	35,126	2	37,763	2	20,706	1
Provisions - current (Notes 20)	7,389	-	5,821	1	2,700	-
Lease liabilities - current (Notes 4, 15, 29and 30)	12,743	1	21,081	1	20,921	1
Other current liabilities (Note 19)	24,128	1	34,875	2	5,232	-
Total current liabilities	1,047,951	49	618,051	36	681,183	39
NON-CURRENT LIABILITIES						
Provisions - noncurrent (Note 20)	4,635	-	3,703	-	1,524	-
Deferred tax liabilities (Notes 25)	5,476	-	3,605	-	5,456	-
Lease liabilities - noncurrent (Notes 4, 15, 29 and 30)	11,597	1	1,400	-	11,852	1
Net defined benefit liabilities - noncurrent (Notes 21)	7,496	-	7,735	1	10,137	1
Guarantee Deposits	-	-	1,541	-	-	-
Total non-current liabilities	29,204	1	17,984	1	28,969	2
Total liabilities	1,077,155	50	636,035	37	710,152	41
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 22)						
Share capital						
Ordinary shares	382,549	18	382,549	22	382,549	22
Capital surplus	386,829	18	386,829	22	386,829	23
Retained earnings						
Legal reserve	162,313	8	142,729	8	142,729	8
Special reserve	7,979	-	-	-	-	-
Unappropriated earnings	123,814	6	198,510	12	95,022	6
Total retained earnings	294,106	14	341,239	20	237,751	14
Other equity						
Exchange differences on translation of foreign financial statements	(714)	-	(462)	-	(670)	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	8,656	-	(7,517)	(1)	6,271	-
Total other equity interest	7,942	-	(7,979)	(1)	5,601	-
Total equity attributable to owners of the Company	1,071,426	50	1,102,638	63	1,012,730	59
Total equity	1,071,426	50	1,102,638	63	1,012,730	59
TOTAL	$ 2,148,581	100	$ 1,738,673	100	$ 1,722,882	100

The accompanying notes are an integral part of the consolidated financial statements.

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2023		2022		2023		2022	
	Amount	%	**Amount**	%	**Amount**	%	**Amount**	%
OPERATING REVENUE (Notes 4, 23 and 30)								
Sales	$ 706,256	100	$ 384,773	100	$ 1,183,483	100	$ 901,251	100
OPERATING COSTS (Notes 4,12, 16, 24 and 30)								
Cost of sales	(554,897)	(78)	(294,155)	(77)	(903,759)	(76)	(681,228)	(76)
GROSS PROFIT	151,359	22	90,618	23	279,724	24	220,023	24
OPERATING EXPENSES (Notes 11, 15, 16, 24 and 30)								
Selling and marketing expenses	(69,634)	(10)	(32,158)	(8)	(106,208)	(9)	(82,316)	(9)
General and administrative expenses	(6,277)	(1)	(6,754)	(2)	(14,665)	(1)	(14,699)	(2)
Research and development expenses	(21,498)	(3)	(20,885)	(5)	(41,831)	(4)	(38,666)	(4)
Expected credit (loss) gain	-	-	700	-	10	-	400	-
Total operating expensess	(97,409)	(14)	(59,097)	(15)	(162,694)	(14)	(135,281)	(15)
OPERATING PROFIT	53,950	8	31,521	8	117,030	10	84,742	9
NON-OPERATING INCOME (Note 24 and 30)								
Interest income	5,699	1	438	-	10,526	1	672	-
Other income	3,465	-	232	-	4,507	-	409	-
Other gains and losses	19,419	3	13,002	4	21,824	2	31,196	4
Finance costs	(182)	-	(247)	-	(368)	-	(516)	-
Total non-operating income and expenses	28,401	4	13,425	4	36,489	3	31,761	4
PROFIT BEFORE INCOME TAX	82,351	12	44,946	12	153,519	13	116,503	13
INCOME TAX EXPENSE (Notes 4 and 25)	(17,034)	(3)	(9,570)	(3)	(30,418)	(2)	(24,147)	(3)
NET PROFIT FOR THE PERIOD	65,317	9	35,376	9	123,101	11	92,356	10
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4 ,22and 25)								
Items that will not be reclassified								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	19,902	3	(281)	-	19,606	1	2,046	-
Income tax relating to items that not be reclassified subsequently to profit or loss	(4,108)	(1)	(580)	-	(3,433)	-	(961)	-
	15,794	2	(861)	-	16,173	1	1,085	-
Items that may be reclassified subsequently to profit or loss								
Exchange differences on translating the financial statements of foreign operations	(254)	-	(270)	-	(315)	-	(349)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	51	-	54	-	63	-	70	-
	(203)	-	(216)	-	(252)	-	(279)	-
Other comprehensive loss for the year, net of income tax	15,591	-	(1,077)	-	15,921	1	806	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 80,908	11	$ 34,299	9	$ 139,022	12	$ 93,162	10
EARNINGS PER SHARE (Note 26)								
From continuing operations								
Basic	$ 1.71		$ 0.92		$ 3.22		$ 2.41	
Diluted	$ 1.70		$ 0.92		$ 3.20		$ 2.40	

The accompanying notes are an integral part of the consolidated financial statement.

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company								
							Other Equity		
	Issued Capital			Retained Earnings			Exchange Differences on Translating the Financial Statements of Foreign Operation	Unrealized gain on Financial Assets at Fair Value Through Other Comprehensive Income	
	Shares (Thousands)	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings			Total Equity
BALANCE AT JANUARY 1, 2022	38,255	$ 382,549	$ 386,829	$ 126,158	$ -	$ 166,518	($ 391)	$ 5,186	$ 1,066,849
Appropriation of 2021 earnings									
Legal reserve				16,571	-	(16,571)			
Cash dividends distributed by the Company					-	(147,281)			(147,281)
Net profit for the six months June 30, 2022	-	-	-	-	-	92,356	-	-	92,356
Other comprehensive income (loss) for the six months June 30, 2022, net of income tax	-	-	-	-	-	-	(279)	1,085	806
Total comprehensive income for the six months June 30, 2022	-	-	-	-	-	92,356	(279)	1,085	93,162
BALANCE AT JUNE 30, 2022	38,255	$ 382,549	$ 386,829	$ 142,729	$ -	$ 95,022	($ 670)	$ 6,271	$ 1,012,730
BALANCE AT JANUARY 1, 2023	38,255	$ 382,549	$ 386,829	$ 142,729	$ -	$ 198,510	($ 462)	($ 7,517)	$ 1,102,638
Appropriation of 2022 earnings									
Legal reserve				19,584	-	(19,584)			
Special reserve					7,979	(7,979)			-
Cash dividends distributed by the Company					-	(170,234)			(170,234)
Net profit for the six months June 30, 2023	-	-	-	-	-	123,101	-	-	123,101
Other comprehensive income (loss) for the six months June 30,2023, net of income tax	-	-	-	-	-	-	(252)	16,173	15,921
Total comprehensive income for the six months June 30, 2023	-	-	-	-	-	123,101	(252)	16,173	139,022
BALANCE AT JUNE 30, 2023	38,255	$ 382,549	$ 386,829	$ 162,313	$ 7,979	$ 123,814	($ 714)	$ 8,656	$ 1,071,426

The accompanying notes are an integral part of the consolidated financial statement

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	For the Six Months Ended June 30 2023	For the Six Months Ended June 30 2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 153,519	$ 116,503
Adjustments for:		
Expected credit loss (gain)/provision (reversal of provision) for bad debt expense	(10)	(400)
Depreciation expenses	18,194	17,256
Amortization expenses	879	984
Finance costs	368	516
Provision (recovery) for liabilities	14,879	(100)
Interest incomes	(10,526)	(672)
Dividend income	(139)	(158)
Loss (gain) on inventory impairment	32,000	6,000
Inventory scrap loss	771	2,124
Gain on Lease Modification	(181)	-
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(11,720)	5,179
Net (gain) loss on foreign currency exchange	(21)	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	15,392	(8,956)
Contract assets decrease	629	
Notes reveivable increase	281	-
Decrease (increase) in accounts receivable	(243,185)	58,540
Decrease (increase) in accounts receivable due from related parties	(756)	1,182
Decrease (increase) in other receivable	(200)	1,045
Decrease (increase) in inventories)	(161,845)	(86,528)
Decrease (increase) in prepayments	21,619	(6,019)
Increase (decrease) in in other current assets	21	30
Increase (decrease) in contract liabilities	77,772	25,451
Increase (decrease) in notes payable	(67)	4
Increase (decrease) in accounts payable	69,911	18,379
Increase (decrease) in accounts payable to related parties	100,743	(124,744)
Increase (decrease) in other payable	34,145	7,142

	For the Six Months Ended June 30 2023	For the Six Months Ended June 30 2022
Increase (decrease) in other payable to related parties	$ 129	$ 6
Provisions Liablities decrease	(12,379)	-
Increase (decrease) in other current liabilities	(10,747)	3,075
Increase (decrease) in net defined benefit liability	(239)	(271)
Cash generated from operations	89,237	35,568
Interest received	10,526	672
Income tax paid	(39,277)	(8,940)
Net cash generated from operating activities	60,486	27,300
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at fair value through other comprehensive income	(10,000)	(16,687)
Other dividends received	139	158
Increase in prepayments f or business facilities	(13,464)	(3,497)
Acquisition of property, plant and equipment	(1,098)	(1,894)
Decrease in refundable depositsamortized cost	6	6
Net cash used in investing activities	(24,417)	(21,914)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Increase in short-term loans		(76,221)
Payments of lease liabilities	(10,675)	(10,679)
Guarantee deposits refunded	(1,541)	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(12,216)	(86,900)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	(314)	(349)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	23,539	(81,863)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	798,650	726,561
CASH AND CASH EQUIVALENTS REPORTED IN THE STATEMENT OF FINANCIAL POSITION	$ 822,189	$ 644,698

The accompanying notes are an integral part of the consolidated financial statements.

1. GENERAL INFORMATION

Promate Solutions Corporation (the “Company”) is a listed company established on May 29. 2000. The main business of the Company include research & development and manufacture of medical touch screen displays, embedded control systems, special application and industrial displays, and research & development of applicable software and hardware.

According to resolutions of the shareholders' meeting on June 10, 2013 , the department of special application product of Promate Electronic Co., Ltd had been transfer to the Company based on Business Mergers And Acquisitions Act. The purpose of division was due to organization adjustment of Promate Electronic Co. According to Board resolutions, the reference date of the division was August 1.2013. , the value of the division department was 123,900 thousand. The Company had been issued 8,260 thousand ordinary share priced at 15 for division.

The parent company of the Company is Promate Electronic Co., Ltd. with equity interests of 66.21% on June 30, 2023 and 2022.

The Company’s shares have been listed on OTC trading at Taipei Exchange since March 2004.

The functional currency of the Company is the New Taiwan Dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on August 04, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by Financial Supervisory Commission (FSC).

   The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Group’s accounting policies.

b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC:

New IFRSs	Effect Date Announced by IASB (Note1)
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 IASB
Amendments to IFRS 16 “Leases Liability in a Sale and leaseback”	January 1, 2024 (Note 2)
IFRS 17 “insurance Contracts	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17-Comparative Information”	January 1, 2023
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 IAS7 and IFRS7 “Supplier Finance Arrangements”	January 1, 2024
Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”	Note 3

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The requirement that the Group applies the exception and the requirement to disclose that fact is applied immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements are applied for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate, i.e., the Group’s share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence over an associate, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate, i.e., the Group’s share of the gain or loss is eliminated.

2) Amendments to IAS 1 “Classification of Liabilities as Current or Non-current” i(referred to as the “2020 amendments”) and “Non-current Liabilities with Covenants” (referred to as the “2022 amendments”).

The 2020 amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Group shall disclose information that enables users of financial statements to understand the risk of the Group that may have difficulty complying with the covenants and repay its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

3) Amendments to IFRS 16 "Leases Liability in a Sale and leaseback"

The amendments specify that the Group should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments also clarify that:

● Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed; □
● The Group may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and □
● Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

4.) Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules"

The amendment introduces an exception to IAS 12, which stipulates that the consolidated company shall not recognize deferred income tax assets and liabilities related to Pillar two income tax, nor shall it disclose relevant information about such deferred income tax, but it shall disclose that it has applied the exception. stipulates, and separately discloses the current income tax expenses (benefits) related to Pillar two income tax. In addition, during the period when the Pillar two Act has been enacted or has been substantively enacted but has not yet taken effect, the merged company should disclose qualitative and quantitative information that is known or reasonably estimable to help users understand its exposure to Pillar two income taxes.

5) Amendments to IAS7 and IFRS7 “Supplier Finance Arrangements”

The supplier financing arrangement is that one or more financing providers pay the account to the supplier on behalf of the enterprise, and the enterprise agrees to pay the financing provider according to the payment date agreed with the supplier or a later date. The amendment requires a merging company to disclose relevant information that enables users of financial statements to assess how supplier financing arrangements affect the merging company's liabilities, cash flow, and liquidity risk exposures.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These interim consolidated financial statements have beenprepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information includedin these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 11 and Table 4 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, for the summary of other significant accounting policies, refer to the consolidated financial statements for the year ended December 31, 2021.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

a、 Impairment of financial assets.

The provision for impairment of accounts receivable is based on assumptions on probability of default and loss given default. The Group uses judgement in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, see Note 11 to the consolidated financial statements. Where the actual future cash - 12 - inflows are less than expected, a material impairment loss may arise.

b、 Impairment of inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and the historical experience from selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

6. CASH AND CASH EQUIVALENTS

	June 30, 2023	December 31, 2022	June 30, 2022
Cash on hand	$ 213	$ 38	$ 271
Checking accounts and demand deposits	516,276	430,092	464,427
Cash equivalents (investment with original maturities less than three months time deposits)			
Bank time deposit	305,700	368,520	180,000
	$ 822,189	$ 798,650	$ 644,698

The market rate intervals of cash in bank, and repurchase bond at the end of the reporting period were as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Demand deposits	0.001%~1.35%	0.001%~1.05%	0.001%~0.08%
Time deposits	1.1%~4.75%	3.90%~4.35%	0.35%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2023	December 31, 2022	June 30, 2022
Financial assets at FVTPL - current			
Financial assets mandatorily classified as at FVTP:			

	June 30, 2023	December 31, 2022	June 30, 2022
—Domestic listed shares	$ 8,495	$ 4,602	$ 6,899
—Foreign listed shares	-	7,565	7,472
	$ 8,495	$ 12,167	$ 14,371

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2023	December 31, 2022	June 30, 2022
Non-current			
Investments in equity instruments	$ 120,813	$ 91,207	$ 104,252

Investments in equity instruments at FVTOCI

	June 30, 2023	December 31, 2022	June 30, 2022
Non-current			
Domestic investments			
Listed shares			
HIGGSTEC Inc	$ 32,391	$ 29,949	$ 34,834
Unlisted shares			
DigiZerocarbon CorpBlutech Inc	10,000	-	-
Amount	42,391	29,949	34,834
Foreign investments			
Private Funds			
Esquarre IoT Landing Fund, L.P	78,422	61,258	69,418
	$ 120,813	$ 91,207	$ 104,252

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2023	December 31, 2022	June 30, 2022
Curren			
Domestic investmentst			
Time deposits with original maturities of more than 3 months	$ 1,504	$ 1,483	$ -

	June 30, 2023	December 31, 2022	June 30, 2022
Less: Allowance for impairment loss	-	-	-
	$ 1,504	$ 1,483	$ -

The interest rates for time deposits with original maturity over 3 months ranged all 3.10% as of June 30, 2023 and December 31, 2022, respectively.

Refer to Note 10 for information related to credit risk management and impairment evaluation of financial assets at amortized cost.

Financial assets at amortized cost as collateral for borrowings are set out in Note 31.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at amortized cost:

June 30 2023

	At Amortization costs
Gross carrying amount	$ 1,504
Less: Allowance for impairment loss	-
Amortization costs	$ 1,504

December 31 2022

	At Amortization costs
Gross carrying amount	$ 1,483
Less: Allowance for impairment loss	-
Amortization costs	$ 1,483

In order to minimize credit risk, the Group has tasked its credit management committee with the development and maintenance of a credit risk grading framework for categorizing exposures according to the degree of the risk of default. The credit rating information may be obtained from independent rating agencies, where available, and if not available, the credit management committee uses other publicly available financial information to rate the debtors. The Group's exposure and the external credit ratings are continuously monitored and assessed for whether there has been a significant increase in credit risk since the last period to the reporting date.

The Group considers the historical default rates of each credit rating supplied by external rating agencies to estimate 12-month or lifetime expected credit losses.

The Group's current credit risk grading framework comprises the following categories:

Credit Rating	Definition	Basis for Recognition of Expected Credit Losses
Normal	The counterparty has a low risk of default and a strong capacity to meet contractual cash flow	12-month ECLs

The gross carrying amount and applicable expected credit loss rate of investments in debt instruments are as follows:

June30,2023

Credit Rating	Expected Credit Loss Rate	Gross Carrying Amount Amortized Cost
Normal	0%	$ 1,504

December 31,2022

Credit Rating	Expected Credit Loss Rate	Gross Carrying Amount Amortized Cost
Normal	0%	$ 1,483

There was no change in the allowance for impairment loss of investments in debt instruments at FVTOCI and at amortized cost for the six months ended June 30, 2023 .

The group did not have any investment in debt instruments at amortized cost as of June 30, 2022.

11. NOTES RECEIVABLE, ACCOUNTS RECEIVABLES AND OTHER RECEIVABLES

	June 30, 2023	December 31, 2022	June 30, 2022
Notes receivables			
At amortized cost			
Gross carrying amount	$ -	$ 281	$ -
Less: Allowance for impairment loss	-	-	-
	$ -	$ 281	$ -
Accounts receivables			
At amortized cost			
Gross carrying amount	$ 519,569	$ 276,384	$ 403,365
Gross carrying amount-related parties	3,985	3,229	3,030
Less: Allowance for impairment loss	(158)	(168)	(458)
	$ 523,396	$ 279,445	$ 405,937
Overdue receivables			
Overdue receivables	$ 30	$ 30	$ 30
Less: Allowance for impairment loss	(30)	(30)	(30)
	$ -	$ -	$ -

Others receivables

	June 30, 2023	December 31, 2022	June 30, 2022
Tax refund receivables	$ 17,607	10,358	$ 10,104
Duty Tax refund receivables	2,714	2,479	2,293
Proceeds from sale of financial assets	15,128	10,900	11,079
Collection and payment	-	11,188	-
Others	-	324	-
	$ 35,449	$ 35,249	$ 23,476

a. Accounts receivables and Notes receivables

At amortized cost

The average credit period of the sales of goods was 90-135 days. No interest was charged on accounts receivables. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivables. The expected credit losses on accounts receivables are estimated using an allowance matrix, which takes into consideration the historical credit loss experience with the respective debtor, the current financial position of the debtor, and the current and future economic conditions of the industry as well as the overall economy. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivables based on the Group's provision matrix:

June 30, 2023

	Not Overdue	Overdue 1-30 Days	Overdue 31-60 Days	Overdue 61-90 Days	Overdue More than 91 Days	Total
Expected credit loss rate	0.05%	0.05%	0.05%	0.05%	0.05~100%	
Gross carrying amount	$ 507,742	$ 15,812	$ -	$ -	$ -	$ 523,554
Loss allowance (Lifetime ECL)	(153)	(5)	-	-	-	(158)
Amortized cost	$ 507,589	$ 15,807	$ -	$ -	$ -	$ 523,396

December 31, 2022

	Not Overdue	Overdue 1-30 Days	Overdue 31-60 Days	Overdue 61-90 Days	Overdue More than 91 Days	Total
Expected credit loss rate	0%	0.02%	2.86%	14.69%	12.41~100%	
Gross carrying amount	$ 267,963	$ 6,514	$ 5,417	$ -	$ -	$ 279,894
Loss allowance (Lifetime ECL)	(10)	(2)	(156)	-	-	(168)
Amortized cost	$ 267,953	$ 6,512	$ 5,261	$ -	$ -	$ 279,726

June 30, 2022

	Not Overdue	Overdue 1-30 Days	Overdue 31-60 Days	Overdue 61-90 Days	Overdue More than 91 Days	Total
Expected credit loss rate	0.01%	0.11%	2.09%	12.07%	12.07~100%	
Gross carrying amount	$ 393,439	$ 11,158	$ 620	$ 1,178	$ -	$ 406,395
Loss allowance (Lifetime ECL)	(51)	(29)	(32)	(346)	-	(458)
Amortized cost	$ 393,388	$ 11,129	$ 588	$ 832	$ -	$ 405,937

The movements of the loss allowance of accounts receivables were as follows:

	For the Six Months Ended June 30 2023	For the Six Months Ended June 30 2022
Accounts andreceivables		
Balance on January 1	$ 168	$ 858
Less: Amount of credit loss reversal	(10)	(400)
Balance on June 30	$ 158	$ 458
Overdue receivables		
Balance on January 1	$ 30	$ 30
Balance on June 30	$ 30	$ 30

Compared to the balance on January 1, 2023 and 2022, the gross carrying amount of notes receivables and accounts receivables on June 30, 2023 and 2022 increased $243,660 thousand and decreased $59,722 thousand. Due to increase in projected credit loss, the loss allowance decreased $10 thousand and $400 thousand.

b. Other receivables

The Group does not accrue interest on other receivables. When determining the recoverability of other receivables, the Group considers any changes in the credit quality of other receivables from the original credit date to the balance sheet date. As historical experience shows that other receivables overdue for more than one year are not recoverable, the Company recognizes 100% allowance for bad debts for other receivables aged over one year. For other receivables aged within one year, the Company determines allowance for bad debt by reference to the past arrears of counterparties and analyzing their current financial position, in order to evaluate irrecoverable amounts.

There was no allowance for impairment loss of other receivables on June 30, 2023, December 31, 2022, and June 30, 2022.

12. INVENTORIES

	June 30, 2023	December 31, 2022	June 30, 2022
Raw materials	$ 327,766	$ 251,253	$ 313,011
Work in process	42,674	42,766	33,797
Finished goods	148,516	67,213	72,330
Merchandise inventories	6,565	7,633	5,692
Stock in transit	2,833	30,415	-
	$ 528,354	$ 399,280	$ 424,830

Cost of Goods Sold were as follows:

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Cost of Goods Sold	$ 524,945	$ 290,931	$ 869,703	$ 672,965
Labor cost	184	101	1,285	139
Loss (gain) on inventory impairment	29,000	2,000	32,000	6,000
Inventory Scrap	768	1,123	771	2,124
	$ 554,897	$ 294,155	$ 903,759	$ 681,228

13. SUBSIDIARIES

Subsidiaries Included in the Consolidated Financial Statements:

The entity included in the consolidated statements is listed below.

			Proportion of Ownership (%)			
Investor	Investee	Nature of Activities	June 30, 2023	Dec 31, 2022	June 30, 2022	Note
Promate Solutions Co., Ltd	Promate Japan Inc	Trade of electronic commodities	100%	100%	100%	a&b

a. Promate Japan Inc. was incorporated on March 2017 in Tokyo, Japan. It is 100% owner by the Company and the nature of its activities include trade of electronic commodities.

b. Promate Japan Inc. is not a significant subsidiary and their financial statements has not been reviewed.

The financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of June 30, 2023 and 2022, the combined total assets of these non-significant subsidiaries were NT$9,246 thousand and NT$9,925 thousand, respectively, representing 0.43% and 0.58%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT$1,300 thousand and NT$794 thousand, respectively, representing 0.12% and 0.11%, respectively, of the consolidated total liabilities; for the three months ended June 30, 2023 and 2022 and for the six months ended June 30, 2023 and 2022, the amounts of combined comprehensive income(loss) of these subsidiaries were NT$209 thousand, NT$15 thousand, (NT$494) thousand, and NT$3 thousand, respectively, representing 0.26%, 0.04%, 0.36% and 0.003%, respectively, of the consolidated total comprehensive income.

14. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2023	December 31, 2022	June 30, 2022
Assets used by the Group	$ 50,576	$ 47,617	$ 47,232

Assets used by the Group:

	Machinery Equipment	Transportation Equipment	Office Equipment	Miscellaneous Equipment	Leasehold Improvements	Total
Cost						
Balance at January 1, 2023	$ 74,477	$ 2,810	$ 12,911	$ 84,945	$ 13,375	$188,518
Addition	-	-	-	1,098	-	1,098
Reclassification	240	-	242	9,542	-	10,024
Disposals	-	-	-	-	(440)	(440)
Balance at June 30, 2023	$ 74,717	$ 2,810	$ 13,153	$ 95,585	$ 12,935	$199,200
Accumulated depreciation						
Balance at January 1, 2023	$ 54,108	$ 2,810	$ 10,782	$ 60,681	$ 12,520	$140,901
Depreciation expenses	3,047	-	338	4,386	392	8,163
Disposals	-	-	-	-	(440)	(440)
Balance at June 30, 2023	$ 57,155	$ 2,810	$ 11,120	$ 65,067	$ 12,472	$148,624
Carrying amount at June 30, 2023	$ 17,562	$ -	$ 2,033	$ 30,518	$ 463	$ 50,576
Carrying amount at January 1 2023/December 31, 2022	$ 20,369	$ -	$ 2,129	$ 24,264	$ 855	$ 47,617
Cost						
Balance at January 1, 2022	$ 74,003	$ 2,810	$ 10,758	$ 69,061	$ 13,375	$170,007

Addition	176	-	1,718	-	-	1,894
Reclassification	-	-	-	8,735	-	8,735
Balance at June 30, 2022	$ 74,179	$ 2,810	$ 12,476	$ 77,796	$ 13,375	$180,636
Accumulated depreciation						
Balance at January 1, 2022	$ 47,625	$ 2,810	$ 10,214	$ 53,840	$ 11,695	$126,184
Depreciation expenses	3,248	-	221	3,316	435	7,220
Balance at June 30, 2022	$ 50,873	$ 2,810	$ 10,435	$ 57,156	$ 12,130	$133,404
Carrying amount at June 30, 2022	$ 23,306	$ -	$ 2,041	$ 20,640	$ 1,245	$ 47,232

There was no indication of an impairment loss; therefore, the Group did not perform impairment assessment. during the six months ended June 30, 2023 and 2022.

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Machinery equipment	3-10 years
Transportation equipment	5 years
Office equipment	3-5 years
Miscellaneous equipment	3-20 years
Leasehold improvements	3-10years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2023	December 31, 2022	June 30, 2022
Carrying amounts			
Buildings	$ 24,865	$ 22,311	$ 32,081
Transportation	198	437	676
	$ 25,063	$ 22,748	$ 32,757

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 202	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Addition to right-of-use assets	$ -	$ -	$ 15,451	$ -
Depreciation charge for right-of-use assets				
Buildings	$ 4,895	$ 4,896	$ 9,792	$ 9,797
Transportation	120	120	239	239
	$ 5,015	$ 5,016	$ 10,031	$ 10,036

Due to the early termination of the lease contract during current period, the company's right of-use assets and lease liabilities were reduced by NT$3,092 thousand and NT$3,273 thousand respectively. Thus, it resulted in a lease modification benefit of NT$181 thousand during the six months ended June 30, 2023.

b. Lease liabilities

	June 30, 2023	December 31, 2022	June 30, 2022
Carrying amounts			
Current	$ 12,743	$ 21,081	$ 20,921
Non-current	$ 11,597	$ 1,400	$ 11,852

Discounted rate ranges of lease liabilities were as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Buildings	3%	3%	3%
Transportation	5.69%	5.69%	5.69%

c. Material lease-in activities and terms

The Gloup leased a number of cars for use by business personnel or warehouse personnel for 3 years. The lease contracts for these cars do not contain terms for the right of renewal or the right of purchase.

The Gloup also leased certain buildings for the use as plant and office in a period of 5 years. The Company does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Expenses relating to low-value asset leases	$ 141	$ 150	$ 330	$ 307
Total cash outflow for lease			($ 11,005)	($ 10,986)

The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.
The Group has no lease commitments commencing after the balance sheet date during the non-leasehold period for June 30, 2023 and 2022 and December 31, 2022.

16. OTHER INTANGIBLE ASSETS

	Computer Software
Cost	
Balance on January 1, 2023	$ 15,659
Reclassification	846
Balance on June 30, 2023	$ 16,505
Accumulated amortization	
Balance on January 1, 2023	$ 11,698
Amortization expenses	879
Balance on June 30, 2023	$ 12,577
Carrying amount on June 30, 2023	$ 3,928
Carrying amount on January 1, 2023/December 31, 2022	$ 3,961
Cost	
Balance on January 1, 2022	$ 15,659
Balance on June 30, 2022	$ 15,659
Accumulated amortization	
Balance on January 1, 2022	$ 9,808
Amortization expenses	984
Balance on June 30, 2022	$ 10,792
Carrying amount on June 30, 2022	$ 4,867

Besides amortization expense, the Group did not acquire, dispose, nor impair any other intangible assets between six months ended June 30, 2023 and 2022.

Other intangible assets were amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	2-10 years

Amortization expenses summarized by function:

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Operating costs	$ -	$ -	$ -	$ -
Selling and marketing expenses	13	23	27	50
General and administrative expenses	155	189	282	377
Research and development expenses	292	278	570	557
	$ 460	$ 490	$ 879	$ 984

17. OTHER ASSETS

	June 30, 2023	December 31, 2022	June 30, 2022
Current			
Prepayments			
Prepayment for purchases and expenses	$ 3,972	$ 26,165	$ 8,906
Offsets against business tax payable	574	-	-
	4,546	26,165	8,906
Others current assets			
Temporary payment	7	28	-
	$ 4,553	$ 26,193	$ 8,906
Non-current			
Prepayments for equipment	$ -	$ 219	$ 1,596
Refundable deposits	648	654	650
Overdue receivables (Note 11)	30	30	30
Allowance for impairment loss - overdue receivables	(30)	(30)	(30)
	$ 648	$ 873	$ 2,246

18. NOTES AND ACCOUNTS PAYABLE

	June 30, 2023	December 31, 2022	June 30, 2022
Notes payable			
Non-trade	$ 36	$ 103	$ 35
Accounts payable			
Accounts payable	$ 265,044	$ 195,133	$ 218,678
Accounts payable - related parties	151,730	50,987	56,830
	$ 416,774	$ 246,120	$ 275,508

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

19. OTHER LIABILITIES

	June 30, 2023	December 31, 2022	June 30, 2022
Current			
Other payables			
Payables for salaries or bonuses	$ 56,788	$ 63,433	$ 46,156
Payables for annual leave	8,000	10,250	7,650

	June 30, 2023	December 31, 2022	June 30, 2022
Payables for compensation of employees and remuneration of directors (Note 24)	35,500	24,000	27,000
Accrued employee ware fare	3,390	-	-
Accrued commissions	33,491	1,426	19,596
Payable for service	1,279	1,342	1,868
Accrued freights	2,258	2,569	2,311
Dividend Payable	57,527	-	49,770
Accrued repair	13,269	18,328	-
Accrued equipment	1,704	4,517	-
Other	10,793	9,275	9,151
	223,999	135,140	163,502
Other payables-related party (Note 30)			
Dividend Payable	112,707	-	97,511
Other	910	781	613
	113,617	781	98,124
	$ 337,616	$ 135,921	$ 261,626
Contract liability(Note23)			
Advance payment	$ 214,139	$ 136,367	$ 94,455
Others liability			
Refund liability	$ 17,256	$ 29,856	$ -
Receipts under custody and others	6,872	5,019	5,232
	$ 24,128	$ 34,875	$ 5,232

20. PROVISIONS

	June 30, 2023	December 31, 2022	June 30, 2022
Current			
Warranties*	$ 7,389	$ 5,821	$ 2,700
Non-current			
Warranties*	$ 4,635	$ 3,703	$ 1,524

	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Balance on January 1	$ 9,524	$ 4,324

	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Additional provisions recognized	14,879	4,324
Rotate unused	(12,379)	-
Rollover unused balance	-	(100)
Balance on June 30	$ 12,024	$ 4,224

The provision for warranty claims represents the present value of management's best estimate of the future outflow of economic benefits that will be required under sale of goods legislation. The estimate had been made on the basis of historic warranty trends, and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

21. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Group's defined retirement benefit plans was $25 thousand and $12 thousand for the three months ended June 30, 2023 and 2022, respectively, and $51 thousand and $25 thousand for the six months ended June 30, 2023 and 2022, respectively.

22. EQUITY

a. Share capital

Common stock

	June 30, 2023	December 31, 2022	June 30, 2022
Number of shares authorized (in thousands)	100,000	100,000	100,000
Shares authorized	$1,000,000	$1,000,000	$1,000,000
Number of shares issued and fully paid (in thousands)	38,255	38,255	38,255
Shares issued	$ 382,549	$ 382,549	$ 382,549

The authorized shares include 4,000 thousand shares allocated for the exercise of employee stock options.

b. Capital surplus

	June 30, 2023	December 31, 2022	June 30, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*			
Issuance of ordinary shares	$ 386,829	$ 386,829	$ 386,829

Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of employees' compensation and remuneration of directors after amendment, refer to employees' compensation and remuneration of directors in Note 24, (g).

Taking into account future capital expenditure requirements and long-term financial planning of the Company, the total dividends paid in any given year may not be less than 50% of the distributable earnings in that year. However, cumulative distributable earnings cannot be distributed if it is less than 20% of the total paid-up capital. Dividends could be distributed either through cash or shares, and cash dividends shall not be less than 10% of the total dividends for the year.

An appropriation of earnings to a legal reserve should be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company's shareholders' meeting resolved in June 14, 2022 to amend the Articles to appropriate special reserve from the balance of retained earnings of the prior period against "the cumulative net decrease of other equity in the prior period". If the amount of retained earnings of the prior period is not enough for such appropriation, the Company should further make up the gap by the net profit after tax and the balances of other equity items of current period. Before amending the Articles, the Company appropriated by law from retained earnings of the prior period.

The appropriations of earnings for 2022 and 2021, which have been approved in the shareholders' meetings on June 13, 2023 and June 14, 2022, respectively, were as follows:

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Legal reserve	$ 19,584	$ 16,571
Reversal of special surplus reserve	7,979	-
Cash dividends	170,234	147,281

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Cash dividends per share (NT$)	4.45	3.85

d. Special surplus reserve

	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Balance on January 1	$ -	$ -
special surplus reserve		
Unrealized gain on FVTOCI financial assets	7,517	-
Exchange differences arising on translating the financials statements of foreign operations	462	-
Balance on June 30	$ 7,979	$ -

e.Other equity items

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

	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Balance on January 1	($ 462)	($ 391)
Current period:		
Exchange differences arising on translating the financials statements of foreign operations	(315)	(349)
Income tax related to gains arising on translating the financial statements of foreign operations	63	70
Other comprehensive income recognized for the period	(252)	(279)
Balance on June 30	($ 714)	($ 670)

2) Unrealized gain or loss on Financial Assets at FVTOCI

	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Balance on January 1	($ 7,517)	$ 5,186
Recognized for the year		
Unrealized gain (loss)- equity instruments	19,606	2,046
Unrealized gain (loss)- tax expense	(3,433)	(961)
Other comprehensive Income recognized for the year	16,173	1,085
Balance on March 31	$ 8,656	$ 6,271

23. REVENUE

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Revenue from contracts with customers				
Revenue from the sale of goods	$ 701,842	$ 381,633	$ 1,174,953	$ 894,295
Design & development revenue	1,728	734	3,000	3,107
Service revenue	2,686	2,406	5,530	3,849
	$ 706,256	$ 384,773	$ 1,183,483	$ 901,251

a. Revenue from sales to customers

Revenue from the sale of goods

Goods are categorized into computer monitors and customized products for manufacturing engineering. The Group engages in the sale of embedded control systems, medical displays, and application-specific display modules at the agreed prices stipulated in contracts, quotations or orders.

Service revenue

Service revenue mainly comprises revenue from the design of embedded, medical, and application specific display modules during product development; revenue from customers’ request for repair when defects occur in products that exceed the warranty period; and revenue recognized at the agreed prices stipulated in contracts.

b. Contract balances

	June 30, 2023	December 31, 2022	June 30, 2022	January 1, 2022
Accounts and Notes receivables (Note 11)	$ 523,396	$ 279,726	$ 405,937	$465,259
Contract Assest				
Design of product	$ 1,227	$ 1,856	$ -	$ -
Less : allowance	-	-	-	-
Contract Assest- current	$ 1,227	$ 1,856	$ -	$ -
Contract liabilities (Note 19)				
Sale of good	$ 151,945	$ 88,071	$ 94,455	$ 69,004
Design of product	62,194	48,296	-	-
Contract liabilities -current	$214,139	$136,367	$ 94,455	$ 69,004

c. Disaggregation of revenue

For the six months ended June 30, 2023

	Embedded Control	Medical Touch c	Application specific	Others	Total
Goods or service					
Revenue from sale of goods	$ 252,940	$ 356,099	$ 458,053	$ 107,861	$1,174,953
Service revenue	1,489	4,001	3,011	29	8,530
	$ 254,429	$ 360,100	$ 461,064	$ 107,890	$1,183,483

For the six months ended June 30, 2022

	Embedded Control	Medical Touch	Application specific	Others	Total
Goods or service					
Revenue from sale of goods	$ 236,901	$ 257,822	$ 308,700	$ 90,872	$ 894,295
Service revenue	1,153	2,700	3,103	-	6,956
	$ 238,054	$ 260,522	$ 311,803	$ 90,872	$ 901,251

24. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS AND OTHER COMPREHENSIVE INCOME (LOSS)

a. Interest income

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Bank deposits	$ 5,463	$ 392	$ 10,018	$ 578
Financial assets at amortized cost	236	-	508	-

With repos	-	46	-	94
	$ 5,699	$ 438	$ 10,526	$ 672

b. Other income

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Dividend income	$ 104	$ 157	$ 139	$ 158
Government subsidy income	2,189	-	2,189	-
Others	1,172	75	2,179	251
	$ 3,465	$ 232	$ 4,507	$ 409

c. Other gains and losses

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Gain (loss) on financial instruments				
Mandatorily measured at FVTPL	$ 5,194	($ 4,977)	$ 11,720	($ 5,179)
Net foreign exchange gain (losses)	14,275	18,125	9,973	36,553
Gain on Lease Modification	-	-	181	-
Others	(50)	(146)	(50)	(178)
	$ 19,419	$ 13,002	$ 21,824	$ 31,196

d. Finance costs

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Interest on lease liabilities	($ 182)	($ 247)	($ 368)	($ 516)

There was no interest capitalization in the combined company from January 1 to June 30, 2023 and 2022.

e. Depreciation and amortization

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
An analysis of deprecation by function				
Operating costs	$ 2,648	$ 2,650	$ 5,297	$ 5,298
Operating expenses	6,508	6,075	12,897	11,958
	$ 9,156	$ 8,725	$ 18,194	$ 17,256
An analysis of amortization by function				
Operating costs	$ -	$ -	$ -	$ -
Operating expenses	460	490	879	984
	$ 460	$ 490	$ 879	$ 984

Amortization expenses of intangible assets to each single item , Please refer note 16.

f. Employee benefits expense

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Short-term benefits	$ 58,403	$ 46,466	$ 102,748	$ 100,766
Post-employment benefits(Note 21)				
Defined contribution plans	1,498	1,443	2,979	2,871
Defined benefit plans	25	12	51	25
	1,523	1,455	3,030	2,896
Other employee benefits	2,358	1,602	4,170	3,424
Total employee benefits expense	$ 62,284	$ 49,523	$ 109,948	$ 107,086
An analysis of employee benefits expense by function				
Operating costs	$ 14,444	$ 12,227	$ 28,928	$ 25,053
Operating expenses	47,840	37,296	81,020	82,033
	$ 62,284	$ 49,523	$ 109,948	$ 107,086

g. Employees’ compensation and remuneration of directors and supervisors

The Company accrued employees’ compensation at the rates of no less than 7.5%~10% and remuneration of directors at the rates of no higher than 3%, of net profit before income tax, employees’ compensation, and remuneration of directors. For the three months ended June 30, 2023 and 2022,and for the six months ended June 30, 2023 and 2022,the employees’ compensation and the remuneration of directors were as follows:

Accrual rate

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Employees’ compensation	7.49%	8.09%	7.57%	7.81%
Remuneration of directors	1.87%	1.01%	1.60%	1.17%

Amount

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Employees’ compensation	$ 6,800	$ 4,000	$ 12,800	$ 10,000
Remuneration of directors	$ 1,700	$ 500	$ 2,700	$ 1,500

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate.

The compensation to employees and remuneration to the directors of 2022 and 2021 were approved by the Company's board of directors on March 14, 2023 and March 15, 2022 respectively, were as below:

	2022		2021	
	Employees' compensation	Remuneration of directors	Employees' compensation	Remuneration of directors
The Board of Directors issue pay amounts	$ 20,000	$ 4,000	$ 16,500	$ 4,000
Annual consolidated financial statements authorized	$ 20,000	$ 4,000	$ 16,500	$ 3,000

There was no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022.

There was difference between the pay amounts of employees' compensation and remuneration of directors and the amounts recognized in the company financial statements by the Board of Directors on March 15, 2022 and adjusted in 2022 income.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gain or loss on foreign currency exchange

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Foreign exchange gains	$ 36,467	$ 29,059	$ 58,551	$ 57,892
Foreign exchange losses	(22,192)	(10,934)	(48,578)	(21,339)
Net gain (loss)	$ 14,275	$ 18,125	$ 9,973	$ 36,553

i. The reversal of impairment of non-financial instruments

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Inventories (Included in costs of goods sold)	($ 29,000)	($ 2,000)	($ 32,000)	($ 6,000)

25. INCOME TAXES RELATING TO CONTINUING OPERATION

a. Income tax recognized in profit or loss

Major components of tax expense were as follows:

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Current tax				
In respect of the current period	$ 21,250	$ 10,077	$ 36,097	$ 20,830
Adjustments from previous years	544	3	544	3
	21,794	10,080	36,641	20,833
Deferred tax				
In respect of the current period	(4,760)	(510)	(6,223)	3,314
Income tax expense recognized in profit or loss	$ 17,034	$ 9,570	$ 30,418	$ 24,147

b. Income tax expense recognized in other comprehensive income

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Deferred tax				
In respect of the current year				
－Translation of foreign operations	$ 51	$ 54	$ 63	$ 70
－Unrealized gain on FVTOCI financial assets	(4,108)	(580)	(3,433)	(961)
Income tax recognized in other comprehensive income	($ 4,057)	($ 526)	($ 3,370)	($ 891)

c. Income tax assessments

The tax returns of the Company through 2019 have been assessed by tax authorities.

26. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Basic earnings per share				
From continuing and discounted operations	$ 1.71	$ 0.92	$ 3.22	$ 2.41
Total	$ 1.71	$ 0.92	$ 3.22	$ 2.41
Diluted earnings per share				
From continuing and discounted operations	$ 1.70	$ 0.92	$ 3.20	$ 2.40
Total	$ 1.70	$ 0.92	$ 3.20	$ 2.40

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Income for the year attributable to owners of the Company	$ 65,317	$ 35,376	$ 123,101	$ 92,356
Earnings used in the computation of basic earnings per share	$ 65,317	$ 35,376	$ 123,101	$ 92,356
Earnings used in the computation of diluted earnings per share	$ 65,317	$ 35,376	$ 123,101	$ 92,356

Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

Unit: NT$ Per Share

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Weighted average number of ordinary shares in computation of basic earnings per share	38,255	38,255	38,255	38,255
Effect of potentially dilutive ordinary shares:				
Employees' compensation	111	175	243	279
Weighted average number of ordinary shares used in the computation of diluted earnings per share	38,366	38,430	38,498	38,534

If the Group offered to settle compensation paid to employees in cash or shares, the Group assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. CASH FLOW INFORMATION

a. Non-cash transactions

For the six months ended June 30, 2023 and 2022, the Group entered into the following non-cash investing and financing activities :

1) The Group reclassified prepayments for equipment amounting to NT$10,024 thousand and NT$8,735 thousand to property, plant and equipment for the six months ended June 30, 2023 and 2022, respectively.
2) For the six months ended June 30, 2023 , The Group prepaid equipment reclassified to intangible assets NT$846 thousand.

b. Reconciliation of liabilities arising from financing activities:

For the six months ended June 30, 2023

	Balance as of January 1, 2023	Cash Flows	Non-cash Changes				Balance as of June 30, 2023
			New Lease	Interest Amortized	Disposals	Foreign Exchange Difference	
Lease liabilities	$22,481	($10,675)	$ 15,451	$ 368	($ 3,273)	($ 12)	$ 24,340

For the six months ended June 30 2022

	Balance as of January 1, 2022	Cash Flows	Non-cash Changes				Balance as of June 30, 2022
			New Lease	Interest Amortized	Disposals	Foreign Exchange Difference	
Short-term borrowings	$ 76,221	($76,221)	$ -	$ -	$ -	$ -	$ -
Lease liabilities	42,979	(10,679)	-	516	-	(43)	32,773
	$119,200	($ 86,900)	$ -	$ 516	$ -	($ 43)	$ 32,773

28. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group’s overall strategy remains unchanged.

Adopting a prudent risk management strategy and regularly reviewing the strategy, the Group engages in overall planning based on business development strategies and operational needs, in order to determine the appropriate capital structure of the Group.

The Group is not subject to any externally imposed capital requirements.

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management of the Group believes the carrying amounts of financial assets and financial liabilities not measured at fair value that are very close to maturity or whose future prices equals their carrying amounts, approximates their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

Balance as of June 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares and emerging market shares	$ 8,495	$ -	$ -	$ 8,495
Financial assets at FVTOCI				
Investments in equity				
Domestic listed shares and emerging market shares	$ 32,391	$ -	$ -	$ 32,391
Domestic unlisted shares	-	-	10,000	10,000
Foreign unlisted shares	-	-	78,422	78,422
Total	$ 32,391	$ -	$ 88,422	$ 120,813

Balance as of December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares and emerging market shares	$ 4,602	$ -	$ -	$ 4,602
Foreign listed shares	7,565	-	-	7,565
Total	$ 12,167	$ -	$ -	$ 12,167
Financial assets at FVTOCI				
Investments in equity				
Domestic listed shares and emerging market shares	$ 29,949	$ -	$ -	$ 29,949
Foreign unlisted shares	-	-	61,258	61,258
Total	$ 29,949	$ -	$ 61,258	$ 91,207

Balance as of June 30, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Securities listed in ROC	$ 6,899	$ -	$ -	$ 6,899

	Level 1	Level 2	Level 3	Total
Foreign listed shares	7,472	-	-	7,472
Total	$ 14,371	$ -	$ -	$ 14,371
Financial assets at FVTOCI				
Investments in equity				
Securities listed in ROC	$ 34,834	$ -	$ -	$ 34,834
Domestic unlisted shares and domestic emerging market shares	-	-	69,418	69,418
Total	$ 34,834	$ -	$ 69,418	$ 104,252

There were no transfers between Levels 1 and 2 in the current and prior periods.

2.. Reconciliation of Level 3 fair value measurements of financial instruments

For the six months ended June 30 2023

Financial assets	Financial assets at FVTPL Equity Instrument
Balance at January 1	$ 61,258
Recognized in other comprehensive income	17,164
Addition	10,000
Balance at June 30	$ 88,422
Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the year	$ 17,164

For the six months ended June 30 2022

Financial assets	Financial assets at FVTPL Equity Instrument
Balance at January 1	$ 47,924
Recognized in other comprehensive income	4,807
Addition	16,687
Balance at June 30	$ 69,418
Unrealized gain (loss) for the current year included in profit or loss relating to assets held at the end of the year	$ 4,807

3.. Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

The Gloup measures the fair value of its investments on domestic unlisted shares by using the market approach and using asset-based approach. The comparable company method of market approach is based on the transaction price ,consider the different between the evaluated company and the comparable company,calculate fair value with appropriate multiplirt. The asset-based approach assesses the fair value by calculating the value of each asset and liability by reflect the overall fair value.

c. Categories of financial instruments

	June 30, 2023	December 31, 2022	June 30, 2022
Financial assets			
Fair value through profit or loss (FVTPL)			
Mandatory at FVTPL	$ 8,495	$ 12,167	$ 14,371
Financial assets at amortized (Note 1)	1,383,186	1,115,762	1,074,761
Financial assets at FVTOCI equity instruments			
Investments in equity instruments	120,813	91,207	104,252
Financial liabilities			
Measured at amortized cost (Note 2)	754,426	383,685	537,169

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents,notes receivables,accounts receivables, other receivables and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, accounts payables, and other payable.

d. Financial risk management objectives and policies

The Group’s major financial instruments included equity and debit investments, accounts receivables, accounts payables, loan, and lease liabilities. The Group’s Corporate Treasury monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, and liquidity risk.

1) Market risk

The Group’s activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price risk (see (c) below).

There had been no change to the Group’s exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Company and its subsidiaries had foreign currency sales and purchases, which exposed the Group to foreign currency risk. The Group manages the risk that fluctuations in foreign currency could have on foreign-currency denominated assets and future cash flow by using forward exchange contracts, which was governed by the Group's policies.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the year are set out in Note 34.

Sensitivity analysis

The Group was mainly exposed to the U.S. dollar.

The following table details the Group's sensitivity to a 1% increase in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency exchange forward contracts designated as cash flow hedges, and adjusts their translation at the end of the reporting period for a 1% change in exchange rates. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar weakening 1% against the relevant currency. For a 1% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	U.S. Dollar Impact	
	For the Six Months Ended June 30, 2023	**For the Six Months Ended June 30, 2022**
Profit or loss	$ 4,920	$2,922 (i)

(i) This was mainly attributable to the exposure outstanding on U.S. dollar-denominated accounts receivables and accounts payables, which were not hedged at the end of the reporting period.

The Group's sensitivity to foreign currency increase during the current year mainly due to the increase of accounts receivable balance in the USD In management's opinion, the sensitivity analysis did not reflect the inherent exchange rate risk because the exposure at the end of the year did not reflect the exposure during the period.

b) Interest rate risk

The Group evaluates hedging activities regularly to align with interest rate views and defined risk appetite and ensures that the most cost-effective hedging strategies are applied.

The carrying amount of the Group’s financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Fair value interest rate risk			
－Financial assets	$ 307,204	$ 370,003	$ 180,000
Cash flow interest rate risk			
－Financial assets	$ 516,276	$ 430,092	$ 464,427

Sensitivity analysis

The sensitivity analyses below were determined based on the Group’s exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. A 50 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group’s pre-tax profit for the six months ended June 30, 2023 and 2022 would increase /decrease by $1,291 thousand and $1,161 thousand, which was mainly attributable to the Group’s exposure to the floating-interest rates on bank deposits.

The Group’s sensitivity to interest rates reduced during the year, mainly affected by the decrease in bank deposits with variable interest rates.

c) Other price risk

The Group was exposed to equity price risk through its investments in mutual funds. The Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 3% higher/lower, the pre-tax other comprehensive income for the six months ended June 30, 2023 and 2022 would have

increased/decreased by $255 thousand and $431 thousand, as a result of the changes in fair value of financial assets at FVTOCI.
If equity prices had been 3% higher/lower, the pre-tax profit for the six months ended June 30, 2023, and 2022, would have increased/decreased by $3,624 thousand and $3,128 thousand, as a result of the changes in fair value of financial assets at FVTPL.

The Group’s sensitivity to equity prices increased mainly because of its increase in financial assets investment

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the reporting period,, the Group’s maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be mainly from the following:

a) The carrying amount of the financial assets recognized in the balance sheets; and
b) The maximum amount payable by the Group due to financial guarantees provided by the Group, regardless of possibility.

Financial assets are potentially affected by the failure of the Group’s counterparties to fulfill their contractual obligations. The Group’s credit risk is evaluated based on contracts whose fair value at the end of the financial reporting period is positive. The Group’s counterparties are financial institutions and companies with sound credit ratings. The Group has a dedicated unit that regularly monitors counterparty credit exposure levels every year, so no significant credit risk is expected.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. The Group has signed a contract with the bank to sell accounts receivable, and there is no need to guarantee to the ability of debtors in accounts receivable to affect fulfillment of debt obligations due to credit risk within the bank’s underwriting limit. Hence, the management of the Group believes that the credit risk of the Group has declined significantly

Accounts receivable from customers exceeding 5% of the total accounts receivable accounted for 71.9%, 65.6%, and 69.8% of the Group's accounts receivable balance as of June 30, 2023, December 31, 2022, and June 30, 2022, respectively.

The maximum credit exposure of the Group is the net carrying amount of financial assets after deducting the amount that can be offset against each other and the impairment loss recognized in accordance with the regulations without considering collateral and other credit enhancement policies.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group's available unutilized bank loan facilities set out in section (b) below.

a) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on agreed repayment dates.

June 30, 2023

	Less Than 1 Year	1-5 Years
Non-interest bearing liabilities		
Notes payable	$ 36	$ -
Trade payable	416,774	-
Other payable	337,616	-
Lease liabilities	13,127	12,270
	$767,553	$ 12,270

Additional information about the maturity analysis for lease liabilities:

	Less Than 1 Year	1-5 Years
Lease liabilities	$ 13,127	$ 12,270

December 31, 2022

	Less Than 1 Year	1-5 Years
Non-interest bearing liabilities		
Notes payable	$ 103	$ -
Trade payable	246,120	-
Other payable	135,921	-
Lease liabilities	21,307	1,431
	$403,451	$ 1,431

Additional information about the maturity analysis for lease liabilities:

	Less Than 1 Year	1-5 Years
Lease liabilities	$ 21,307	$ 1,431

June 30, 2022

	Less Than 1 Year	1-5 Years
Non-interest bearing liabilities		
Notes payable	$ 35	$ -
Trade payable	275,508	-
Other payable	261,626	-
Lease liabilities	21,358	12,901
	$558,527	$ 12,901

Additional information about the maturity analysis for lease liabilities:

	Less Than 1 Year	1-5 Years
Lease liabilities	$ 21,358	$ 12,901

b) Financing facilities

	June 30, 2023	December 31, 2022	June 30, 2022
Unsecured bank overdraft facilities			
－Amount used	$ 17,196	$ 17,175	$ 9,044
－Amount unused	311,924	308,505	308,716
	$ 329,120	$ 325,680	$ 317,760

30. TRANSACTIONS WITH RELATED PARTIES

The parent company of the Company is Promate Electronic Co., Ltd., which held 66.21% of the Company’s ordinary shares on June 30, 2023 December 31, 2022 and June 30, 2022.

Balances and transactions between the Company and its subsidiaries, which are the related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Names and categories of related parties

Name	Related Party Category
Promate Electronic Co., Ltd	The Company’s Parent company
Promate Electronic (Shenzhen) Co., Ltd	Subsidiary of Promate

Name	Related Party Category
Promate Electronic (Shanghai) Co., Ltd	Subsidiary of Promate
PROMATE ELECTRONICS COMPANY USA	Subsidiary of Promate
Weikeng Industrial Co., Ltd	Substantive related party-chairman is a director of the Company
HIGGSTEC Inc.	The management - parent company of the Company is the corporate director of the Company
Blutech Inc.	The management - parent company of the Company is the corporate director of the Company

b. Operating revenues

Line Item	Related Party Category/Name	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Sale of goods	The Company's Parent company	$ 3,876	$ 3,988	$ 11,867	$ 10,946
	Subsidiary of Promate	-	-	-	51
	The management	234	673	234	901
		$ 4,110	$ 4,661	$ 12,101	$ 11,898
Repairs	The Company's Parent company	$ 26	$ 15	$ 70	$ 48

c. Purchases of goods

Related Party Category/Name	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Promate Electronic Co., Ltd	$ 169,145	$ 59,587	$ 268,332	$ 202,322
Substantive related party-chairman is a director of the Company	9,443	17,711	18,874	24,577
The management	2,770	2,945	7,439	9,048
	$ 181,358	$ 80,243	$ 294,645	$ 235,947

The related-party transactions were conducted under normal terms.

d. Receivables from related parties (excluding loans to related parties)

Related Party Category/Name	June 30, 2023	December 31, 2022	June 30, 2022
The Company's parent company	$ 3,737	$ 3,229	$ 2,319
The management	248	-	711
	$ 3,985	$ 3,229	$ 3,030

The outstanding accounts receivables from related parties are unsecured. For the six months ended June 30, 2023 and 2022, no impairment loss was recognized for accounts receivables from related parties.

e. Other receivables from related parties

Line Item	Related Party Category/Name	June 30, 2023	December 31, 2022	June 30, 2022
Accounts payables	The Company's Parent company	$ 140,702	$ 30,716	$ 34,944
	Substantive related party-chairman is a director of the Company	10,110	14,805	19,348
	The management	918	5,466	2,538
		$ 151,730	$ 50,987	$ 56,830
Other payables	The Company's Parent company	$ 112,707	$ -	$ 97,511
	Subsidiary of Promate	910	781	613
s		$ 113,617	$ 781	$ 98,124

The other payables between the consolidated company and Promate Electronic Co., Ltd. 2022 and 2021 cash dividends that have not been allotted by the resolution of the shareholders' meeting on June 13, 2023 and June 14, 2022.

The outstanding accounts payables to related parties are unsecured.

f. Lease arrangements

Line Item	Related Party Category	June 30, 2023	December 31, 2022	June 30, 2022
Lease liabilities	The Company's Parent company	$ 5,563	$ 11,045	$ 16,445
	Substantive related party-chairman is a director of the Company	1,410	2,800	3,474
		$ 6,973	$ 13,845	$ 19,919

Related Party Category ／Name	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Interest expense				
The Company's Parent company	$ 41	$ 122	$ 93	$ 254
Substantive related party - chairman is a director of the Company	15	25	31	51
	$ 56	$ 147	$ 124	$ 305

Lessor	Location	Lease Term Payment Method
The Company's Parent company	Chingpu Plant	The lease term begins on January 1, 2019 and ends on December 31, 2023. Rent is paid every six months, where the monthly rent is NT$929,000.
Substantive related party-chairman is a director of the Company	Office building along Huanshan Road, Neihu District	The lease term begins on January 1, 2019 and ends on December 31, 2023. Rent is paid every six months, where the monthly rent is NT$111,000。(In January 1, 2021, the lease was early terminated)

Related Party Category／Name	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Substantive related party-chairman is a director of the Company	Office building along Huanshan Road, Neihu District	The lease term begins on January 1, 2021 and ends on December 31, 2024. Rent is paid every six months, where the monthly rent is NT$119,000。		

g. Other transactions with related parties

Line Item	Related Party Category/Name	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Operating Cost-Ousourcing expenses	The management	$ 1,024	$ 237	$ 1,260	$ 370
Research and development expense	The Company's Parent company	$ 100	$ 265	$ 382	$ 599
	Substantive related party - chairman is a director of the Company	40	551	260	551
	The management	260	223	1,222	817
		$ 400	$ 1,039	$ 1,864	$ 1,967
Professional service fees	Subsidiary of Promate	$ 1,895	$ 2,451	$ 3,772	$ 4,732
IT information expense	The Company's Parent company	$ -	$ -	$ 1,220	$ 1,220
Fright expense	The management	$ 40	$ -	$ 40	$ -

In March 2023, the Group participated in the cash capital increase of Blutech Inc. and invested NT$10,000 thousand, increasing the shareholding ratio to 4.35%. Since the Group still has no significant influence on it, the Group classified it as Financial assets at fair value through other comprehensive income.

h. Compensation of key management personnel

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Short-term employee benefits	$ 3,518	$ 2,321	$ 9,184	$ 9,502
Other long-term employee benefits	86	86	172	172
	$ 3,604	$ 2,407	$ 9,356	$ 9,674

The remuneration of directors and key executives is determined by the remuneration committee based on the performance of individuals and market trends.

31.ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings: ：

	June 30, 2023	December 31, 2022	June 30, 2022
Recognized as Financial assets at amortized cost (Time Deposits)(Note9)	$ 1,504	$ 1,483	$ -

32.SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

a. As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group has all issued letters of guarantee for tariff guarantee amounted to $6,000 thousand , $6,000 thousand and $6,000 thousand, respectively.
b. As of June 30, 2023, December 31, 2022 and June 30, 2022, the Group has all issued letters of guarantee for performance guarantee amounted to $11,196 thousand , $11,175 thousand and $3,044 thousand, respectively.
c. As of June 30, 2023, December 31, 2022 and March 31, 2022, commitments due to contracts for the acquisition of equipment were as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Contract amount			
Paid amount	$ -	$ 219	$ 1,596
Unpaid amount	-	511	4,094
	$ -	$ 730	$ 5,690

33. GNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In addition to those disclosed in other notes,there is no genificant events due on August 04 2023.

34.SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group’s significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

Unit: In Thousands for Currencies

June 30, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 27,473	31.14 （USD：NTD）	$ 855,518
USD	187	144.99 （USD：JPY）	5,834
EUR	151	33.81 （EUR：NTD）	5,090
GBP	46	39.38 （GBP：NTD）	1,827
JPY	5,103	0.22 （JPY：NTD）	1,097
			$ 869,366
NoMonetary items			
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME			
USD	2,518	31.14（USD：NTD）	$ 78,422
Financial liabilities			
Monetary items			
USD	11,750	31.14（USD：NTD）	$ 365,889
USD	112	144.99 （USD：JPY）	3,474
EUR	25	33.81 （EUR：NTD）	831
			$ 370,194

December 31, 2022

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 29,630	30.71 （USD：NTD）	$ 909,942
USD	62	132.70 （USD：JPY）	1,916
EUR	125	32.72 （EUR：NTD）	4,103
GBP	46	37.09 （GBP：NTD）	1,715
JPY	11,716	0.23 （JPY：NTD）	2,723
			$ 920,399
NoMonetary items			
FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS			
USD	246	30.71（USD：NTD）	$ 7,565
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME			

USD	1,995	30.71（USD：NTD）	61,258
			$ 68,823
Financial liabilities			
Monetary items			
USD	5,719	30.71（USD：NTD）	$ 175,633
USD	65	132.70 （USD：JPY）	1,993
EUR	23	32.72 （EUR：NTD）	743
JPY	96	0.23 （JPY：NTD）	22
			$ 178,391

June 30, 2022

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 17,609	29.72 （USD：NTD）	$ 523,349
USD	128	136.68 （USD：JPY）	3,816
EUR	227	31.05 （EUR：NTD）	7,037
GBP	46	36.07 （GBP：NTD）	1,664
JPY	11,080	0.22 （JPY：NTD）	2,418
			$ 538,284
NoMonetary items			
FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS			
USD	251	29.72（USD：NTD）	$ 7,472
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME			
USD	1,723	29.72（USD：NTD）	51,195
			$ 58,667
Financial liabilities			
Monetary items			
USD	$ 7,768	29.72 （USD：NTD）	$ 230,858
USD	139	136.68 （USD：JPY）	4,142
EUR	19	31.05 （EUR：NTD）	596
			$ 235,596

The Group is mainly exposed to the fluctuations other than USD. For the three months ended June 30, 2023 and 2022, and for the six months ended June 30, 2023 and 2022, realized foreign exchange gains were $6,744 thousand , $16,194 thousand ,$1,800 thousand and $19,036 thousand respectively; Unrealized foreign exchange gains were $7,531 thousand, $1,931 thousand, $8,173 thousand and$17,517 thousand, respectively.

35.OTHERS ITEMS

On April 29, 2021, the Company's board of directors resolved to subscribe Esquarre IoT Landing Fund,L.P. in US$5 million. The investments in private funds accounted for 7.32% of the company's total equity of the current period. As of June 30, 2023, the Company has invested NT$67,579 (US$2,376) thousand and measured at fair value through other comprehensive income. Please refer to Note 8 disclosure.

36.SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and information in investees:
    1) Financing provided to others. (None)
    2) Endorsement/guarantee provided. (None)
    3) Marketable securities held. (Table 1)
    4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (None)
    5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (None)
    6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (None)
    7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 2)
    8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)
    9) Trading in derivative instruments. (None)
    10) Significant transactions between the Company and subsidiaries. (Table 3)
b. Information of investees. (Table 4)
c. Information on investments in mainland China (None)
d. Information of major shareholders: The following is the information of major shareholders: Name of major shareholder, number of shares owned and percentage of ownership of shareholders whose percentage of ownership of shareholders is higher than 5%. (Table 5)

37.SEGMENT INFORMATION

Information reported to the chief operating decision maker ("CODM") for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. According to the requirements of IAS 34, the Group engages in organization management and resource allocation in a single operating segment, and its business is concentrated in a single industry related to mainframes and peripheral equipment for point-of-sale systems. In addition, the Group provides segment information reviewed by the CODM, whose basis of measurement is similar to that of financial statements. Therefore, the revenue and total assets of reportable segments for the six months ended June 30, 2023 and 2022 can be determined by reference to the balance sheet and consolidated statement of profit and loss for the six months ended June 30, 2023 and 2022.

The CODM considers the sales units engaging in the sale of mainframes and peripheral equipment in each country as separate operating segments. But for financial statements presentation purposes, these individual operating segments have been aggregated into a single operating segment, taking into account the following factors:

a. These operating segments have similar long-term gross profit margins.
b. Similar product nature and transaction method.
c. Products are delivered to customers in the same way.

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES
MARKETABLE SECURITIES HELD
June 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	March 31, 2023				Note (Note 4)
				Number of Shares	Carrying Amount (Noted 3)	Percentage of Ownership (%)	Fair Value	
Promate Solutions Corporation	Ordinary shares							
	INTERNATIONAL GAMES SYSTEM CO.,LTD.	None	Financial assets at fair value through profit or loss -current	2,300	$ 1,421	-	$ 1,421	Domestic listed company
	LOTES CO., LTD	〃	〃	518	446	-	446	〃
	TTFB COMPANY LIMITED	〃	〃	4,000	1,222	-	1,222	〃
	LARGAN Precision Co.,Ltd	〃	〃	1,000	2,130	-	2,130	〃
	Asia Vital Components Co., Ltd..	〃	〃	318	86	-	86	〃
	Jinan Acetate Chemical Co., LTD..	〃	〃	5,000	2,760	-	2,760	〃
	Parade Technologies, Ltd...	〃	〃	400	430	-	430	〃
	Higgstec Inc	The management	Financial assets at fair value through other comprehensive income -noncurrent	1,062,000	32,391	2.68%	32,391	〃
	Blutech Inc	〃	〃	250,000	10,000		10,000	Non-publicly traded equity investments
					$ 50,886		$ 50,886	
	Private funds.							
	Esquarre IoT Landing Fund,L.P.	None	Financial assets at fair value through other comprehensive income -noncurrent	2,375,651	$ 78,422 (USD 2,518)		$ 78,422 (USD 2,518)	Foreign unlisted company

Note 1: Marketable securities in this table refer to stocks, bonds, beneficiary certificates, and other relevant derivative securities as promulgated in IFRS 9 "Financial Instruments."

Note 2: When the issuers of marketable securities are not related parties, this column can be left blank

Note 3: If measured by fair value, please fill in the carrying balance, which is adjusted through fair value valuation with loss allowance deducted, in the carrying amount column; if not measured by fair value, please fill in the carrying balance at amortized cost (loss allowance is already deducted).

Note 4: The number of shares of securities, the amount pledged as security or pledged for loans, and the restrictions on use under some agreements shall be stated in the remarks column if the securities presented herein have such conditions.

Note 5: Please refer to Table 4 for relevant information on investments in subsidiaries.

TABLE 2

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE SIX MONTHS ENDED JUNE 30, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Term	Unit Price	Payment Terms	Ending Balance	% to Total	
Promate Solutions Corporation	Promate Electronic Co., Ltd	Parent company	Purchase	$ 268,332	28.95%	Net 60 days after monthly closing	-	-	Accounts payable $ 140,702	33.76%	

Note 1. Where related parties' transaction conditions are different from the general ones, the situation and reasons of the differences shall be stated in the column of unit price and credit granting period.

Note 2. In case of advance payment (receipt), the reasons, contractual terms, the amount, and differences from general transactions shall be stated in the remarks column.

Note 3. Paid-in capital referred to herein is the parent company's paid-in capital. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of the equity attributable to owners of the parent in the calculation.

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES
INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Investee Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
0	Promate Solutions Corporation	PROMATE JAPAN Inc.	a	Sale	$ 8,986	Transaction terms are not significantly different from those for third parties	0.76%

Note 1: The parent company and its subsidiaries are numbered as follows:
a. "0" for the parent company.
b. Subsidiaries are numbered from "1".

Note 2: The flow of related-party transactions is as follows:
a. From the parent company to its subsidiary.
b. From the subsidiary to its parent company.
c. Between subsidiaries.

Note 3: For assets and liabilities, amounts are shown as a percentage to consolidated total assets as of June 30, 2023, while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for June 30, 2023.

Note 4: The company decides whether to display important transactions in this form based on the principle of materiality.

TABLE 4

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars/Foreign Currency)

Investor Company	Investee Company	Location	Main Businesses and Products	Investment Amount		Balance as of June 30, 2023			Net Income (Loss) of the Investee (Note 2(2))	Investment Gain (Loss) (Note 2(3))	Note
				June 30, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value			
Promate Solutions Corporation	PROMATE JAPAN Inc	Japan	Trade of electronic commodities	$ 2,791	$ 2,791	100,000	100%	$ 3,961	$ 186	$ 186	

Note 1: Where a public company has a foreign holding company and the consolidated financial report is the main financial report according to local laws and regulations, the disclosure of information on foreign investees may only include the holding company's relevant information.

Note 2: In cases other than those described in Note 1, the following information shall be provided:

1) "Investee name," "region," "main business items," "the original investment amount," and "the final stake" shall be filled in in order according to the reinvestment situation of the (public) Company and the reinvestment situation of each investee directly or indirectly controlled, and the relationship between each investee and the (public) Company shall be indicated in the remarks column (e.g., a subsidiary or a sub-subsidiary).
2) In the column of "Profit and loss of investee in the current period," the current profit and loss amount of each investee shall be filled in.
3) In the column of "investment gains and losses recognized in the current period," only the recognized profit and loss amount of each subsidiary that is directly invested by the (public) Company and each investee assessed by equity method shall be filled in, and the rest is not required to be filled in.Where the "gains and losses of subsidiaries that are invested directly are recognized for the current period," it shall be confirmed that the gains and losses of the subsidiaries have included their investment gains and losses that shall be recognized in accordance with the regulations.

TABLE 5

PROMATE SOLUTIONS CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
June 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name of Major Shareholder	Shares	
	Number of Shares	Number of Shares
Promate Electronic Co., Ltd	25,327,500	66.21%

Note 1: The percentage of ownership of major shareholders included in the table should be more than 5%, which was calculated based on the total number of ordinary shares, preference shares and treasury shares owned in the last trading day of the quarter that were traded in and registered electronically and was prepared by the Taiwan Depository & Clearing Corporation. In addition, the share capital and the actual number of traded shares with the completion of electronic registration stated in the consolidated financial statements might vary due to different calculation basis.