Stock Code: 3611

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Consolidated Financial Statement and Auditor's Review Report

First Quarter of 2024/2023

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original
Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

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Auditor's Review Report

To TSC Auto ID Technology Co., Ltd.:

Introduction

We have audited the consolidated balance sheet as of March 31, 2024 and March 31, 2023; the consolidated incomes statement from January 1 to March 31, 2024 and from January 1 to March 31, 2023; the consolidated statements of changes in equity and the consolidated statements of cash flows from January 1 to March 31, 2024 and from January 1 to March 31, 2023 of TSC Auto ID Technology Co., Ltd. and its subsidiaries ("TSC Auto ID Technology Group") and the notes to consolidated financial statements (including the summary of major accounting policies). According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards (IAS) 34 Interim Financial Reporting recognized and promulgated by the Financial Supervisory Commission, the preparation of financial reports for fair representation is the management's responsibility. Our responsibility is to reach conclusions based on the review result of consolidated financial statements.

Scope

We reviewed the financial statements in accordance with the Review Standards No. 2410 "Review of Financial Statements". The procedures of a review of consolidated financial statements include inquiries (mainly to financial and accounting personnel), analytical procedures and other review procedures. A review is substantially less in scope than an audit. Therefore, we may not be able to detect all the material items which can be identified via audit work and will not be able to express an opinion accordingly.

Conclusion

Based on our review and other auditors' review (please refer to "Other Matters"), we did not identify in the abovementioned consolidated financial statements any materiality that was not prepared according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards (IAS) 34 Interim Financial

Reporting recognized and promulgated by the Financial Supervisory Commission, and that prevented the fair representation of TSC Auto ID Technology Group’s consolidated financial status as of March 31, 2024 and 2023, consolidated financial performance and cash flow from January 1 to March 31, 2024 and 2023.

Other Matters

Among the subsidiaries consolidated in TSC Auto ID Technology Group’s financial statements, the financial statements of certain subsidiaries were not reviewed by us but by other auditors. Therefore, our conclusion of the abovementioned financial statements was based on the review by other auditors of recognition and disclosure regarding the listed amounts and relevant information disclosed in notes of the financial statements of these companies. The total assets of the subsidiaries accounted for 24.71% and 19.69% of the total consolidated assets as of March 31, 2024 and 2023, respectively; The operating revenues of the subsidiaries accounted for 43.30% and 41.18% of the consolidated operating revenues from January 1 to March 31, 2024 and 2023 respectively; and their total comprehensive income accounted for (536.73)% and 7.26% of the total consolidated comprehensive income, respectively.

Deloitte Taiwan

CPA: Chang Li Chun

CPA: Fan You Wei

Official Letter of Approval by Financial Supervisory Commission
Financial-Supervisory-Securities-Corporate-1100356048

Official Letter of Approval by Securities and Futures Commission
Taiwan-Finance-Securities-VI-0920123784

May 10, 2024

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Consolidated Balance Sheet

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

Unit: NT$ thousand

		March 31, 2024		December 31, 2023		March 31, 2023	
Code	Asset	Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	$ 1,081,550	12	$ 1,065,550	12	$ 1,104,394	13
1110	Financial assets at fair value through profit or loss (Note 7)	277	-	4,543	-	355	-
1170	Notes and accounts receivable, net (Notes 9, 27)	1,246,172	14	1,306,350	15	1,254,309	15
1200	Other receivables (Note 27)	35,143	-	43,820	-	35,264	-
130X	Inventory (Note 10)	1,569,239	17	1,493,841	17	1,680,755	19
1410	Prepayments	70,723	1	50,454	-	100,573	1
1470	Other current assets	827	-	879	-	10,528	-
11XX	Total current assets	4,003,931	44	3,965,437	44	4,186,178	48
	Non-current assets						
1517	Financial assets at fair value through other comprehensive income (Note 8)	1,182,636	13	1,354,200	15	1,539,200	18
1600	Property, plant and equipment (Note 12)	1,294,330	14	1,291,776	15	1,068,791	12
1755	Right-of-use assets (Note 13)	328,997	4	148,301	2	158,374	2
1780	Other intangible assets (Note 15)	419,865	5	475,545	5	189,452	2
1805	Goodwill (Note 14)	1,307,374	14	1,191,077	13	1,049,113	12
1840	Deferred income tax assets	406,338	5	433,697	5	404,317	5
1990	Other non-current assets (Note 16)	111,148	1	97,310	1	50,113	1
15XX	Total non-current assets	5,050,688	56	4,991,906	56	4,459,360	52
1XXX	Total assets	$ 9,054,619	100	$ 8,957,343	100	$ 8,645,538	100
Code	Liabilities and equity						
	Current liabilities						
2100	Short-term loans (Note 17)	$ 613,310	7	$ 671,395	8	$ 698,121	8
2120	Financial liabilities at fair value through profit or loss (Note 7)	2,466	-	-	-	2,541	-
2170	Accounts payable (Note 27)	687,978	8	691,237	8	740,393	9
2200	Other payables (Notes 18, 27)	496,792	5	570,129	6	322,177	4
2230	Income tax liability during the period	128,532	1	94,966	1	184,424	2
2250	Liability reserve	7,334	-	6,595	-	6,620	-
2280	Lease liability (Note 13)	91,845	1	87,535	1	93,394	1
2320	Long-term liabilities due within one year (Note 17)	9,155	-	8,875	-	5,000	-
2399	Other current liabilities (Note 20)	143,179	2	119,136	1	101,284	1
21XX	Total current liabilities	2,180,591	24	2,249,868	25	2,153,954	25
	Non-current liabilities						
2540	Long-term loans (Note 17)	568,667	6	611,154	7	522,000	6
2570	Deferred income tax liabilities	530,888	6	522,592	6	400,943	5
2580	Lease liability (Note 13)	231,370	3	49,622	1	75,323	1
2640	Net defined benefit liability	16,843	-	16,842	-	14,964	-
2670	Other non-current liabilities	63,609	1	45,994	-	92,577	1
25XX	Total non-current liabilities	1,411,377	16	1,246,204	14	1,105,807	13
2XXX	Total liabilities	3,591,968	40	3,496,072	39	3,259,761	38
	Equity (Note 19)						
	Share capital						
3110	Ordinary share capital	471,406	5	471,071	5	425,189	5
3140	Advanced receipt of share capital	20	-	335	-	30	-
3100	Total share capital	471,426	5	471,406	5	425,219	5
3200	Capital surplus	680,769	7	676,011	8	617,487	7
	Retained earnings						
3310	Legal reserve	770,477	9	770,477	9	673,504	8
3320	Special reserve	8,597	-	8,597	-	8,597	-
3350	Unappropriated earnings	2,930,291	32	2,770,511	31	2,742,050	31
3300	Total retained earnings	3,709,365	41	3,549,585	40	3,424,151	39
3400	Other equity	601,091	7	764,269	8	918,920	11
3XXX	Total equity	5,462,651	60	5,461,271	61	5,385,777	62
	Total liabilities and equity	$ 9,054,619	100	$ 8,957,343	100	$ 8,645,538	100

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

(Please refer to the auditor’s review report issued by Deloitte Taiwan on May 10, 2024.)

Chairman: Wang Hsing Lei　　Chief Executive Officer: Chen Ming-Yi　　Chief Accounting Officer: Chen Yen-Han

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Consolidated Comprehensive Income Statement

From January 1 to March 31, 2024 and 2023

Unit: NT$ thousands except NT$ for earnings per share

		January 1 to March 31, 2024		From January 1 to March 31, 2023	
Code		Amount	%	Amount	%
	Operating incomes (Notes 20, 27)				
4110	Revenues	$ 1,875,486	100	$ 1,908,049	100
	Operating costs (Notes 10, 21, 27)				
5110	Cost of goods sold	1,284,085	68	1,282,406	67
5900	Gross profits	591,401	32	625,643	33
	Operating expenses (Notes 9, 21, 27)				
6100	Sales & marketing expenses	215,637	12	179,063	9
6200	Administrative expenses	119,594	6	114,798	6
6300	R&D expenses	55,859	3	51,344	3
6000	Total operating expenses	391,090	21	345,205	18
6900	Operating profits	200,311	11	280,438	15
	Non-operating incomes and expenses (Note 21)				
7100	Interest income	2,813	-	2,342	-
7190	Other incomes	5,818	1	5,931	-
7020	Other gains and losses	23,438	1	1,364	-
7050	Financial cost	(15,226)	(1)	(11,837)	-
7000	Total non-operating incomes and expenses	16,843	1	(2,200)	-
7900	Profits before tax	217,154	12	278,238	15
7950	Income tax expenses (Note 22)	57,374	3	73,909	4
8200	Net income for the period	159,780	9	204,329	11

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Code		January 1 to March 31, 2024 Amount	%	January 1 to March 31, 2023 Amount	%
	Other comprehensive incomes (Note 19)				
8310	Items that are not to be reclassified to profit or loss				
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive (losses) incomes	($ 265,398)	(14)	$ 441,040	23
8360	Items that may be subsequently reclassified to profit or loss				
8361	Exchange differences on translation of financial statements of foreign operations	127,775	7	(14,985)	(1)
8399	Income tax components that may be reclassified	(25,555)	(2)	2,996	-
8300	Other comprehensive income for the period (net of tax)	(163,178)	(9)	429,051	22
8500	Total comprehensive income for the period	($ 3,398)	-	$ 633,380	33
	Net income attributable to:				
8610	Shareholders of the Company	$ 159,780	9	$ 204,329	11
	Total comprehensive income attributable to:				

8710	Shareholders of the Company	($ 3,398)	-	$ 633,380	33
	Earnings per share (Note 23)				
9710	Basic	$ 3.39		$ 4.37	
9810	Diluted	$ 3.36		$ 4.32	

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

(Please refer to the auditor’s review report issued by Deloitte Taiwan on May 10, 2023.)

Chairman: Wang Hsing Lei   Chief Executive Officer: Chen Ming-Yi   Chief Accounting Officer: Chen Yen-Han

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Consolidated Statement of Changes in equity

From January 1 to March 31, 2024 and 2023

Unit: NT$ thousand unless otherwise indicated

		Share capital					Retained earnings				Other equity			
Code		No. of shares (thousand shares)	Ordinary share capital	Advanced receipt of share capital	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of financial statements of foreign operations	Unrealized gain of financial assets measured at fair value through other comprehensive incomes	Total	Total equity
A1	Balance on January 1, 2023	42,513	$ 425,129	$ 60	$ 425,189	$ 615,845	$ 673,504	$ 8,597	$ 2,537,721	$ 3,219,822	($ 102,247)	$ 592,116	$ 489,869	$ 4,750,725
G1	Exercise of employee stock options	6	60	(30)	30	450	-	-	-	-	-	-	-	480
D1	Net income from January 1 to March 31, 2023	-	-	-	-	-	-	-	204,329	204,329	-	-	-	204,329
D3	Other comprehensive income (net of tax) from January 1 to March 31, 2023	-	-	-	-	-	-	-	-	-	(11,989)	441,040	429,051	429,051
D5	Total comprehensive income from January 1 to March 31, 2023	-	-	-	-	-	-	-	204,329	204,329	(11,989)	441,040	429,051	633,380
N1	Share-based compensation – employee stock options (Note 24)	-	-	-	-	1,192	-	-	-	-	-	-	-	1,192
Z1	Balance on March 31, 2023	42,519	$ 425,189	$ 30	$ 425,219	$ 617,487	$ 673,504	$ 8,597	$ 2,742,050	$ 3,424,151	($ 114,236)	$ 1,033,156	$ 918,920	$ 5,385,777
A1	Balance on January 1, 2024	47,107	$ 471,071	$ 335	$ 471,406	$ 676,011	$ 770,477	$ 8,597	$ 2,770,511	$ 3,549,585	($ 83,887)	$ 848,156	$ 764,269	$ 5,461,271
G1	Exercise of employee stock options	34	335	(315)	20	256	-	-	-	-	-	-	-	276
D1	Net income from January 1 to March 31, 2024	-	-	-	-	-	-	-	159,780	159,780	-	-	-	159,780
D3	Other comprehensive income (net of tax) from January 1 to March 31, 2024	-	-	-	-	-	-	-	-	-	102,220	(265,398)	(163,178)	(163,178)
D5	Total comprehensive income from January 1 to March 31, 2024	-	-	-	-	-	-	-	159,780	159,780	102,220	(265,398)	(163,178)	(3,398)
N1	Share-based compensation – employee stock options (Note 24)	-	-	-	-	4,502	-	-	-	-	-	-	-	4,502
Z1	Balance on March 31, 2024	47,141	$ 471,406	$ 20	$ 471,426	$ 680,769	$ 770,477	$ 8,597	$ 2,930,291	$ 3,709,365	$ 18,333	$ 582,758	$ 601,091	$ 5,462,651

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

(Please refer to the auditor’s review report issued by Deloitte Taiwan on May 10, 2023.)

Chairman: Wang Hsing Lei   Chief Executive Officer: Chen Ming-Yi   Chief Accounting Officer: Chen Yen-Han

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Consolidated Statement of Cash Flows

From January 1 to March 31, 2024 and 2023

Unit: NT$ thousand

Code		January 1 to March 31, 2024	January 1 to March 31, 2023
	Cash flows from operating activities		
A10000	Profit before tax	$ 217,154	$ 278,238
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation	61,588	50,071
A20200	Amortization	12,570	17,330
A20300	Expected credit loss (gain on reversal)	(223)	5,274
A20900	Financial cost	15,226	11,837
A21200	Interest income	(2,813)	(2,342)
A22500	Loss (gain) from disposal and scrapped equipment	428	(128)
A21900	Cost of employee stock options	4,502	1,192
A23700	Loss on inventory valuation and obsolescence (gain on recovery)	2,117	(6,675)
A24100	Unrealized foreign exchange gains	(13,360)	(20,020)
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets designated at fair value through profit or loss	4,266	1,443
A31150	Notes and accounts receivable	108,983	113,724
A31180	Other receivables	7,961	16,040
A31200	Inventory	(37,918)	(46,162)
A31230	Prepayments	(21,186)	(31,715)
A31240	Other current assets	58	(2,466)
A31990	Other non-current assets	1,167	23
A32110	Financial liabilities held for trading	2,466	557
A32150	Accounts payable	(39,342)	35,856
A32180	Other payables	(75,639)	(102,677)
A32200	Liability reserve	691	-
A32230	Other current liabilities	21,478	(29,351)
A32240	Net defined benefit liability	1	10
A32990	Other non-current liabilities	16,097	21,381
A33000	Cash inflows from operating activities	286,272	311,440
A33100	Interest received	3,216	1,915
A33500	Income tax paid	(6,189)	(8,587)
AAAA	Net cash flows from operating activities	283,299	304,768

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Code		January 1 to March 31, 2024	January 1 to March 31, 2023
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive incomes	($ 93,834)	$ -
B02700	Purchase of property, plant and equipment	(24,523)	(22,436)
B02800	Proceeds from sale of property, plant and equipment	-	304
B03700	Increase in refundable deposits	(90)	(189)
B03800	Decrease in refundable deposits	13	14
B04500	Purchase of intangible assets	(1,120)	(7,222)
B07100	Increase in equipment prepayments	(15,254)	(5,730)
BBBB	Net cash outflows from investing activities	(134,808)	(35,259)
	Cash flows from financing activities		
C00100	Decrease in net short-term loans	(63,623)	(182,816)
C01600	Borrowing of long-term loans	-	50,000
C01700	Repayment of long-term loans	(42,218)	(143,000)
C04020	Repayment of lease principals	(29,155)	(19,865)
C04800	Exercise of employee stock options	276	480
C05600	Interest paid	(16,689)	(12,308)
CCCC	Net cash outflows from financing activities	(151,409)	(307,509)
DDDD	Currency impact on cash and cash equivalents	18,918	348
EEEE	Net increase (decrease) in cash and cash equivalents during the period	16,000	(37,652)
E00100	Cash and cash equivalents at the beginning of the period	1,065,550	1,142,046
E00200	Cash and cash equivalents at the end of the period	$ 1,081,550	$ 1,104,394

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

(Please refer to the auditor's review report issued by Deloitte Taiwan on May 10, 2023.)

Chairman: Wang Hsing Lei | Chief Executive Officer: Chen Ming-Yi | Chief Accounting Officer: Chen Yen-Han

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Notes to Consolidated Financial Statements

From January 1 to March 31, 2024 and 2023

(Unit: NT$ thousand unless otherwise indicated)

I. Company history

TSC Auto ID Technology Co., Ltd. (“the Company”), founded on March 19, 2007, is a global company in auto-identification systems/products manufacturing and services. The Company was listed on the TPEx on November 26, 2008.

The composition of the Company’s consolidated financial statements includes the Company and its subsidiaries (hereinafter referred to as the “consolidated company”).

The consolidated financial statements are expressed in NT dollars, the Company’s functional currency.

II. Dates and procedures of approving financial reports

The consolidated financial reports were published on May 10, 2024 after approval by the Board of Directors.

III. Applicability of new and modified standards and interpretations

(I) First adoption of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) Interpretations recognized and promulgated by the Financial Supervisory Commission (hereinafter collectively referred to “IFRSs”)

According to the consolidated company’s assessment, the adoption of the IFRSs recognized and promulgated in 2024 by the Financial Supervisory Commission will not cause material changes to the consolidated company’s accounting policies.

(II) IFRSs published by the International Accounting Standards Board (IASB) but yet to be recognized by the Financial Supervisory Commission

Newly published/amended/revised standards and interpretations	IASB release and effective date (Note 1)
IFRS 10 and IAS 28 Amendment: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Undecided
IFRS 17 Insurance Contracts	January 1, 2023
IFRS 17 Amendment	January 1, 2023
IFRS 17 Amendment: Initial Application of IFRS 17 and IFRS 9 - Comparative Information	January 1, 2023
IFRS 18 "Presentation and Disclosures of Financial	January 1, 2027

Newly published/amended/revised standards and interpretations	IASB release and effective date (Note 1)
Statements"	
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless otherwise indicated, the abovementioned newly published, amended or revised standards and interpretations shall take effect on annual reporting periods after respective dates.

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2025. When the amendments are applied for the first time, the period of comparison shall not be re-stated, but the impact shall be recognized in the retained earnings on the date of initial application or the exchange differences of foreign operations under equity (as appropriate) and related assets and liabilities.

IFRS 18 "Presentation and Disclosures of Financial Statements"

IFRS 18 will supersede IAS 1 "Presentation of Financial Statements" and the main changes include:

- The income and loss items should be divided into business, investment, financing, income tax and discontinued operations.
- The income statement should present operating profit or loss, profit or loss before financing and income tax, as well as subtotal and total profit and loss.
- Provide guidance to strengthen the requirements of aggregation and segmentation: The consolidated company must identify assets, liabilities, equity, revenues, expenses and cash flows from individual transactions or other events and classify and summarize each line item presented which shall have at least one similar characteristic. Items with different characteristics should be broken down in the main financial statements and notes. The consolidated company only marks such items as "others" when no more informative name can be found.
- Add the disclosure of the performance measurement defined by the management: When the consolidated company has open communication outside the financial statements and when the management's view of the consolidated company's overall financial performance on a certain aspect is communicated with the users of the financial statements, it should be disclosed in a single note to the financial statements information on performance measurements defined by management, including descriptions of the measurements, how to calculate them,

reconciliations between them and any subtotals or totals specified in IFRS and the impact of relevant adjustments on income tax and non-controlling interests.

Apart from the abovementioned impacts, as of the date these consolidated financial statements were approved and released, the consolidated company continued to assess the impact of other amended standards and interpretations on its financial status and financial performance. The relevant effects shall be disclosed once the assessment has been completed.

IV. Summary of significant accounting policies

(I) Statement of Compliance

These consolidated financial statements were prepared according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards (IAS) 34 Interim Financial Reporting recognized and promulgated by the Financial Supervisory Commission. These consolidated financial statements did not include all the information required for disclosure by the IFRSs for the entire year.

(II) Basis of Preparation

These consolidated financial statements were prepared according to historical costs except for the financial instruments measured at fair value, contingent consideration of business combination, and the net defined benefit liability calculated with the present value of the defined benefit obligation less the fair value of the asset plan.

The measurement of fair values can be classified into Level 1, Level 2 and Level 3 according to the level of observability and importance of relevant inputs.

1. Level 1 inputs: (unadjusted) quoted prices for identical assets or liabilities in active and liquid markets.
2. Level 2 inputs: input values of assets or liabilities observable directly (i.e., prices) or indirectly (i.e., inferred prices) other than Level 1 quoted prices.
3. Level 3 inputs: unobservable inputs for assets or liabilities.

(III) Basis of Consolidation

These consolidated financial statements include the Company and the entities (subsidiaries) controlled by the Company. The financial statements of subsidiaries have been adjusted so that their accounting policies are consistent with the consolidated company. All the transactions, account balances, incomes and gains, expenses and losses among individual entities have been canceled out in the preparation of the consolidated financial statements. The comprehensive incomes of subsidiaries are attributable to the shareholders of the Company.

Please refer to Note 11, Table 7 and 8 for a detailed list of the subsidiaries, shareholding percentages in these subsidiaries and their businesses.

(IV) Other major accounting policies

In addition to the following explanations, please refer to the summary of the major accounting policies for 2023 consolidated financial statements.

1. Classification of current and non-current assets and liabilities

Current assets include:

(1) Assets that are held mainly for the purpose of trading;

(2) Assets that are expected to be realized within 12 months after the end of the reporting period; and

(3) Cash and cash equivalents (except for those that are intended to be swapped or settled against liabilities more than 12 months after the end of the reporting period or those with restricted uses).

Current liabilities include:

(1) Liabilities that are held mainly for the purpose of trading;

(2) Liabilities that are expected to be repaid within 12 months after the end of the reporting period; and

(3) Liabilities with no substantial right at the end of the reporting period to defer the settlement deadline to at least 12 months after the end of the reporting period.

Assets and liabilities that do not satisfy the above criteria are classified into non-current assets or non-current liabilities.

2. Defined-benefit post-employment benefit

Interim pension costs from the beginning of the year to the end of the reporting period are calculated with the discount rate determined actuarially on the closing date of the prior year and adjusted by reflecting significant market volatility, major plan changes, repayments or other material one-offs.

3. Income tax expense

Income tax expenses are the aggregate of the income taxes and deferred taxes during the period. Interim income taxes are assessed on an annualized basis, by applying the effective tax rate on the expected annual earnings to the interim profits before tax.

V. Critical accounting judgements, estimates and key sources of assumption uncertainty

With regard to the adoption of accounting policies by the consolidated company, management must make judgments, estimates and assumptions based on historical experience and other relevant factors if relevant information is not readily available from other sources. The actual outcome may be different from the estimates.

The consolidated company, when making significant accounting estimates, incorporated the inflation, fluctuations in market interest rates and foreign exchange market, and so on changes in the economic environment into the major accounting estimates such as cash flows, growth, discount rates, and profitability. Management will continue to review these estimates and assumptions.

Please refer to the explanations about the main sources of uncertainty with major accounting judgments, estimates and assumptions in the 2023 consolidated financial statements.

VI. Cash and Cash Equivalents

	March 31, 2024	December 31, 2023	March 31, 2023
Vault cash and petty cash	$ 210	$ 199	$ 68
Bank checks and demand deposits	881,340	765,351	411,376
Cash equivalents			
Fixed-term bank deposits with original maturity within three months	200,000	300,000	492,950
Bills sold under repurchase agreements	-	-	200,000
	$ 1,081,550	$ 1,065,550	$ 1,104,394

VII. Financial instruments measured at fair value through profit or loss

	March 31, 2024	December 31, 2023	March 31, 2023
Financial Assets – Current			
Designated at fair value through profit or loss			
Derivatives (non-hedging)			
― Currency forwards	$ 277	$ 4,543	$ 355
Financial Liabilities – Current			
Held for trading			
Derivatives (non-hedging)			
Currency forwards	$ 2,466	$ -	$ 2,541

A summary of the outstanding currency forward contracts not under hedge accounting as of the balance sheet date is as follows:

March 31, 2024

	Currency	Maturity	Nominal value (NT$ thousand)
Short forwards	Euro to NTD	April.19.2024 - May.21.2024	EUR 3,000/NTD 103,282
	USD to NTD	April.19.2024 - May.21.2024	USD 4,000/NTD 125,275

December 31, 2023

	Currency	Maturity	Nominal value (NT$ thousand)
Short forwards	Euro to NTD	January 18, 2024	EUR 3,000/NTD 104,167
	USD to NTD	January.19.2024 - February.21.2024	USD 4,000/NTD 124,789

March 31, 2023

	Currency	Maturity	Nominal value (NT$ thousand)
Short forwards	Euro to NTD	April 20, 2023	EUR 2,000/NTD 65,181
	USD to NTD	April 13, 2023 to May 18, 2023	USD 4,000/NTD 120,414

The consolidated company primarily engages in currency forward transactions to hedge the risks associated with exchange rate fluctuations for assets and liabilities denominated in foreign currencies.

VIII. Financial assets measured at fair value through other comprehensive incomes

	March 31, 2024	December 31, 2023	March 31, 2023
Equity Instrument Investments – Non-Current			
Domestic investments			
TPEx-listed stocks	$ 1,182,636	$ 1,354,200	$ 1,539,200

The consolidated company invests in ordinary shares listed on the TPEx for mid-to-long term strategic purposes and seeks to profit from long-term investments. The consolidated company's management does not think recognizing the short-term fair value volatility of such investments as profit or loss aligned with the long-term investment planning abovementioned. Therefore, management decided to designate such investments measured at fair value through other comprehensive incomes.

IX. Notes and accounts receivable

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

Notes receivable	$ 7	$ 25	$ 161
Accounts receivable	1,274,269	1,334,139	1,276,621
Less: allowance for losses	(28,124)	(27,822)	(22,477)
Accounts receivable – affiliated parties (Note 27)	20	8	4
	$ 1,246,172	$ 1,306,350	$ 1,254,309

Accounts receivable

The consolidated company's average credit period for products sold is 45 days after the issuance of invoices or 45 to 60 days based on monthly statements. Accounts receivable do not accrue interests. Before accepting new customers, the consolidated company assesses the credit quality of the potential customers and determines the credit allowance for such customers through internal credit evaluation procedures. The credit allowance and ratings for customers are periodically reviewed according to actual requirements. When determining the recoverability of accounts receivable, the consolidated company takes into account any change of the credit quality from the original credit date to the balance sheet date. It refers to past late payments and current financial statuses of counterparties. The unrecoverable amount of receivables is reviewed and estimated case by case in order to recognize an appropriate allowance for credit losses for the receivables that may not be recovered.

In addition to the recognition of allowance for credit losses for individual customers experiencing credit impairment, the consolidated company recognizes an allowance for expected credit loss during the lifetime of receivables. The consolidated company decides whether to categorize individual customers into different risk groups by considering past default records and current financial status of the customers and the economic and business environment during the period. Lifetime expected credit losses are calculated according to the historical loss rates and reference to customers' default records. The consolidated company categorizes customers according to the countries and regions they are located and defines the expected credit loss rates by taking into account GDP forecasts and unemployment levels and the overdue days of accounts receivable. An allowance for losses will be recognized at 100% of any receivable overdue for more than one year and without any credit guarantees.

If there is evidence indicating a counterparty is in severe financial difficulty (such as in liquidation) and the consolidated company cannot reasonably expect to recover the amount, the consolidated company will write off the relevant receivables but will continue to pursue the payments. Any recovered amount will be recognized in profit or loss.

The consolidated company measures the allowance loss for notes and accounts receivable based on the provision matrix as follows:

March 31, 2024

	No sign of defaults							
	Not overdue	Overdue by 1-90 days	Overdue by 91-180 days	Overdue by 181-270 days	Overdue by 271-365 days	Overdue by 365 days	Sign of defaults	Total
Total account value	$ 999,143	$ 232,402	$ 14,137	$ 8,225	$ 3,908	$ 8,147	$ 8,314	$ 1,274,276
Allowance for losses (lifetime expected credit losses)	(9,971)	(2,324)	(424)	(411)	(391)	(8,147)	(6,456)	(28,124)
Amortized cost	$ 989,172	$ 230,078	$ 13,713	$ 7,814	$ 3,517	$ -	$ 1,858	$ 1,246,152

December 31, 2023

	No sign of defaults							
	Not overdue	Overdue by 1-90 days	Overdue by 91-180 days	Overdue by 181-270 days	Overdue by 271-365 days	Overdue by 365 days	Sign of defaults	Total
Total account value	$ 1,033,663	$ 261,279	$ 11,481	$ 9,218	$ 6,424	$ 6,358	$ 5,741	$ 1,334,164
Allowance for losses (lifetime expected credit losses)	(11,663)	(2,613)	(344)	(461)	(642)	(6,358)	(5,741)	(27,822)
Amortized cost	$ 1,022,000	$ 258,666	$ 11,137	$ 8,757	$ 5,782	$ -	$ -	$ 1,306,342

March 31, 2023

	No sign of defaults							
	Not overdue	Overdue by 1-90 days	Overdue by 91-180 days	Overdue by 181-270 days	Overdue by 271-365 days	Overdue by 365 days	Sign of defaults	Total
Total account value	$ 984,054	$ 248,992	$ 25,514	$ 2,812	$ 1,865	$ 9,322	$ 4,062	$ 1,276,621
Allowance for losses (lifetime expected credit losses)	(5,510)	(2,490)	(765)	(141)	(187)	(9,322)	(4,062)	(22,477)
Amortized cost	$ 978,544	$ 246,502	$ 24,749	$ 2,671	$ 1,678	$ -	$ -	$ 1,254,144

Change to allowance of losses of receivables is as follows:

	January 1 to March 31, 2024	January 1 to March 31, 2023
Balance at the beginning of the period	$ 27,822	$ 17,114
Current (reversal) provision for impairment loss	(223)	5,274
Difference in foreign currency translation	525	89
Balance at the end of the period	$ 28,124	$ 22,477

X. Inventory

	March 31, 2024	December 31, 2023	March 31, 2023
Finished goods	$ 744,994	$ 712,916	$ 679,175
Semi-finished goods	259,065	292,603	307,964
Work in process	74,162	27,199	102,426

Raw materials	491,018	461,123	591,190
	$ 1,569,239	$ 1,493,841	$ 1,680,755

Cost of goods sold by nature:

	January 1 to March 31, 2024	January 1 to March 31, 2023
Inventory cost for sold goods	$ 1,281,968	$ 1,289,081
Loss on inventory valuation and obsolescence (gain on recovery)	2,117	(6,675)
	$ 1,284,085	$ 1,282,406

XI. Subsidiaries

(I) Subsidiaries in the consolidated financial statements

The entities covered by these consolidated financial statements are as follows:

Name of the investment company	Name of the subsidiary	Nature of the business	Shareholding percentage March 31, 2024	December 31, 2023	March 31, 2023	Description
The Company	TSC Auto ID (H.K.) Ltd. (TSCHK)	Investment in production businesses and general imports/exports	100%	100%	100%	-
The Company	TSC Auto ID Technology EMEA GmbH (TSCAE)	Selling and buying of barcode printers and relevant components	100%	100%	100%	-
The Company	TSC Auto ID Technology America Inc. (TSCAA)	Selling and buying of barcode printers and relevant components	100%	100%	100%	-
The Company	Printronix Auto ID Technology Co., Ltd. (“Printronix Auto ID Technology”)	Selling and buying of barcode printers and relevant components	100%	100%	100%	-
The Company	Diversified Labeling Solutions, Inc. (DLS)	Printer consumables and customized design, integration, production and marketable of a variety of labels	100%	100%	100%	-

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Name of the investment company	Name of the subsidiary	Nature of the business	Shareholding percentage March 31, 2024	December 31, 2023	March 31, 2023	Description
The Company	TSC Auto ID Technology India Private limited (TSCIN)	Selling and buying of barcode printers and relevant components	100%	100%	100%	-
The Company	Mosfortico Investments sp. z o.o. (TSCPL)	General investment	100%	100%	100%	Note 1
TSC HK	Tianjin TSC Auto ID Technology Co., Ltd. (Tianjin TSC Auto ID Technology)	Production and marketing of barcode printers and relevant components	100%	100%	100%	-
TSC HK	Shenzhen Printronix Auto ID Technology Co., Ltd. (Shenzhen Printronix Auto ID Technology)	Selling and buying of barcode printers and relevant components	-	-	100%	Note 2
TSCAE	TSC Auto ID Technology ME, Ltd. FZE (TSCAD)	Selling and buying of barcode printers and relevant components	100%	100%	100%	-
TSCAE	TSC Auto ID Technology Spain, S.L. (TSCAS)	Selling and buying of barcode printers and relevant components	100%	100%	100%	-
DLS	Precision Press & Label, Inc. (PPL)	Selling of a variety of labels and printer consumables	100%	100%	100%	-
TSCPL	MGN sp. z o.o.（MGN）	Printer consumables and customized design, integration, production and marketable of a variety of labels	100%	100%	-	Note 3

Note 1: The Company had in February 2023 established the Mosfortico Investments sp. z o.o.(TSCPL) with a capital of PLN 4 thousand (equivalent to NT$31 thousand). In 2023, the capital was subsequently increased to a total of PLN 67,080 thousand (equivalent to NT$498,796 thousand). 100% ownership of MGN sp. z o.o. (MGN) of Poland has been acquired through TSCPL and meet capital requirements.

Note 2: The company was liquidated and extinguished on August 31, 2023.

Note 3: The consolidated company acquired the shares through equity acquisition on June 12, 2023. The total acquisition consideration was tentatively set at PLN 63,528 thousand (NTD 478,044 thousand based on the exchange rate on the acquisition date).

(II) Subsidiaries not included in the consolidated financial statements: none.

(III) Other information: The financial statements of the abovementioned subsidiaries included in the consolidated financial statements during the same period were reviewed by the Company's CPAs and other CPAs.

XII. Property, plant and equipment

	March 31, 2024	December 31, 2023	March 31, 2023
Land	$ 230,504	$ 230,461	$ 225,340
Buildings and structures	304,843	305,856	256,169
Machinery and equipment	653,657	608,814	498,021
Other equipment	82,830	82,994	84,868
Construction in progress	22,496	63,651	4,393
	$ 1,294,330	$ 1,291,776	$ 1,068,791

Other than the recognized depreciation expenses, there was no significant purchase, disposal or impairment of the consolidated company's property, plant and equipment from January 1 to March 31, 2024 and from January 1 to March 31, 2023, respectively.

Depreciation is recognized in a straight line method according to following service lives:

Buildings and structures	
Office	38-52 years
Factories and auxiliary equipment	17-37 years
Indoor decoration engineering	5 years
Machinery and molding equipment	3-20 years
Office and other equipment	1-20 years
Lease hold improvements	3-10 years
Transportation equipment	7 years

The consolidated company has created a collateral for the bank as a guarantee for the borrowing of amount for property, plant and equipment. Please refer to Note 28 for detailed information.

XIII. Lease agreement

(I) Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount of right-of-use assets			
Buildings	$ 298,545	$ 117,832	$ 154,804
Transportation equipment	13,534	12,976	3,570
Machinery and equipment	16,918	17,493	-
	$ 328,997	$ 148,301	$ 158,374

	January 1 to March 31, 2024	January 1 to March 31, 2023
Purchase of right-of-use assets	$ 202,653	$ 1,255
Depreciation of right-of-use assets		
Buildings	$ 26,878	$ 22,056
Transportation equipment	1,662	903
Machinery and equipment	590	-
	$ 29,130	$ 22,959
Sublease incomes from right-of-use assets (rental incomes)	($ 2,562)	($ 2,441)

Other than the purchase and recognized depreciation expenses above listed, there was no significant sublease or impairment of the consolidated company's right-of-use assets from January 1 to March 31, 2024 and from January 1 to March 31, 2023.

(II) Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount of lease liabilities			
Current	$ 91,845	$ 87,535	$ 93,394
Non-current	$ 231,370	$ 49,622	$ 75,323

The range of the discount rates for lease liabilities is as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Buildings	0.69%~8.25%	0.25%~6.50%	0.25%~4.68%
Transportation equipment	0.25%~4.75%	0.25%~4.75%	0.25%~2.75%
Machinery and equipment	1.60%~3.70%	1.60%~3.70%	-

(III) Important activities and clauses as a lessee

The consolidated company leases certain buildings, transportation equipment and machinery equipment for offices, plants, company vehicles and daily operations, with lease periods of 1 to 6 years. For the offices and warehouses in the United States, it is agreed that the lease payment will be increased by 2.5% to 3% per year; in addition, the lease payment of the office in India will be adjusted by 5% per year.

(IV) Other information on leases

	January 1 to March 31, 2024	January 1 to March 31, 2023
Short-term lease expenses	$ 590	$ 228
Low-value asset lease expenses	$ 968	$ 2,881
Total cash (outflow) for leases	($ 34,308)	($ 24,816)

The consolidated company chooses to exempt the recognition of office equipment leases qualified for short-term leases and low-value asset leases. In other words, no right-of-use assets or liabilities will be recognized for such leases.

XIV. Goodwill

	January 1 to March 31, 2024	January 1 to March 31, 2023
Cost		
Balance at the beginning of the period	$ 1,191,077	$ 1,058,071
Other changes	69,966	-
Net exchange difference	46,331	(8,958)
Balance at the end of the period	$ 1,307,374	$ 1,049,113

The consolidated company acquired 100% equity interest in MGN on June 12, 2023, and recognized a provisional amount of goodwill related to MGN of PLN 16,748 thousand (NTD 126,028 thousand based on the exchange rate on the acquisition date). The product market and competitive advantages of MGN are expected to drive the growth of operating revenue and expand the scale of the Group's operations.

The provisional amount of the consolidated company's adjusted goodwill in the first quarter of 2024 was PLN 25,547 thousand (NTD 192,240 thousand based on the exchange rate on the acquisition date). As of the date of this consolidated financial statement, the evaluation report on the allocation of the acquisition price has not yet been completed, the goodwill value may be adjusted after the official evaluation report is obtained.

Distribution of carrying amount of goodwill to the following cash generating units:

	March 31, 2024	December 31, 2023	March 31, 2023
Printer business - Printronix	$ 896,672	$ 860,385	$ 853,240
Label business - DLS	205,844	197,513	195,873
Label business - MGN	204,858	133,179	-
	$ 1,307,374	$ 1,191,077	$ 1,049,113

XV. Other Intangible Assets

	March 31, 2024	December 31, 2023	March 31, 2023
Knowhow & technology	$ 26,987	$ 29,425	$ 39,687
Customer relations	331,414	381,615	111,366
Patent rights	-	-	4,744
Software cost	61,464	64,505	33,655
	$ 419,865	$ 475,545	$ 189,452

The consolidated company acquired 100% of the shares of MGN on June 12, 2023, and recognized the provisional amount of customer relations related to MGN for a amount of PLN 36,000 thousand (NTD 270,899 thousand based on the exchange rate on the acquisition date). In the first quarter of 2024, the estimated customer relationship was adjusted to a provisional amount of PLN 29,200 thousand (NTD 219,729 thousand based on the exchange rate on the acquisition date). As of the date of this consolidated financial report, the evaluation report on the allocation of the acquisition price has not yet been completed. The value of customer relationship may be adjusted after the official evaluation report is obtained.

Except for the amortization expense recognized and as described in the preceding paragraph, the other intangible assets of the consolidated company did not have significant additions, disposals or impairments from January 1 to March 31, 2024 and 2023.

Amortization is recognized in a straight line method according to following service lives:

Licensed technology	5-10 years
Customer relations	7-19.6 years
Patent rights	8 years
Software cost	1-10 years

XVI. Other non-current assets

	March 31, 2024	December 31, 2023	March 31, 2023
Prepayment of equipment amount	$ 52,795	$ 40,498	$ 39,632
Other financial asset (I)	45,970	44,660	-
Refundable deposits	11,748	11,446	9,319
Others	635	706	1,162
	$ 111,148	$ 97,310	$ 50,113

(I) The consolidated company deposited EUR 1,292 thousand to a third party escrow account of PLN 5,800 thousand (NT$43,645 thousand, based on the exchange rate on the acquisition date) on the closing date for the acquisition of MGN as the final payment. This is to ensure transaction security for both parties. The escrow period lasts for 18 months starting from the closing date. The amount in the account will be released in whole to the selling party upon the expiration of the period on the condition that both parties have fulfilled their obligations for the acquisition agreement, and that during this time there are no discoveries made about MGN for any other existing or tax risks or debts that will result in additional losses to be borne by the consolidated company.

XVII. Loans

(I) Short-term loans

	March 31, 2024	December 31, 2023	March 31, 2023
Secured borrowings (2)	$ 10,001	$ -	$ -
Unsecured loans	603,309	671,395	698,121
	$ 613,310	$ 671,395	$ 698,121
Annual interest rate (%)	4.50%~7.53%	4.71%~7.51%	3.31%~5.65%

(II) Long-term loans

	March 31, 2024	December 31, 2023	March 31, 2023
Secured borrowings (2)	$ 17,822	$ 20,029	$ -
Unsecured borrowings (1)	560,000	600,000	527,000
Less: portion due within one year	(9,155)	(8,875)	(5,000)
	$ 568,667	$ 611,154	$ 522,000
Annual interest rate (%)	1.65%~8.88%	1.65%~8.80%	1.52%~2.00%
Final maturity	December 15, 2017	December 15, 2017	March 13, 2026

(1) To enhance mid-term working capital, the Company has signed loan agreements with different banks and paid interest incurred periodically. Before the expiry of contracts, short-term loans can be made within the revolving credit lines. There are no revolving credit lines for mid-term or long-term loans. The maturity dates above are based on the end dates of the loan periods. The covenant of the loans with KGI Bank requires the Company to maintain the

following financial ratios for annual and interim consolidated financial statements:

1. The liability ratio must not exceed 150%.
2. (Cash and cash equivalents + annualized EBITDA)/(short-term borrowings + medium- and long-term borrowings due within one year) must not be less than 1.

(2) The self-owned lands, buildings, machinery and equipment of the consolidated company are pledged as collaterals for the bank loan (refer to Note 28). The maturity date for the loan is in December 2027. The loan interest rate as at March 31, 2024 is 4.40%~8.88%.

XVIII. Other Payables

	March 31, 2024	December 31, 2023	March 31, 2023
Current			
Salaries and bonuses payable	$ 119,698	$ 184,943	$ 101,023
Contingent marketable funds payable	76,402	75,956	-
Employees' remuneration payable	72,692	61,968	79,271
Payable - final payment for acquisition	46,509	46,120	-
Directors' remuneration payable	36,346	30,984	39,635
Service fees payable	29,299	29,770	24,784
Insurance premiums payable	17,950	35,393	12,347
Taxes payable	17,553	17,302	10,094
R&D expenses payable	8,946	11,588	4,221
Equipment amount payable	3,371	5,150	2,041
Others (Note 27)	68,026	70,955	48,761
	$ 496,792	$ 570,129	$ 322,177

XIX. Equity

(I) Ordinary share capital

	March 31, 2024	December 31, 2023	March 31, 2023
Authorized shares (thousand shares)	80,000	80,000	80,000
Authorized share capital	$ 800,000	$ 800,000	$ 800,000
Issued shares (thousand shares)	47,141	47,107	42,519
Issued share capital	$ 471,406	$ 471,071	$ 425,189

The change in the Company's issued share capital was mainly due to the exercise of stock options by employees. The face value per ordinary share issued is NT$10. Each share is entitled to one voting right and one right to dividends.

Out of the authorized capital, the capital reserved for the issuance of employee share options is 8,000 thousand shares.

As of March 31, 2024 and December 31, 2023 and March 31, 2023, the Company's share capital change had been registered with the New Taipei City Government.

During the period from January 1 to March 31, 2024, the Company's employees exercised 2 thousand stock options, which were recorded as "Advance received share capital" of NTD 20 thousand. Before the date of publication of this consolidated financial statement, the Company has not yet apply for change registration with the New Taipei City government.

(II) Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
May be used to offset losses, issue cash or appropriate to share capital (1)			
Premium of share issuance	$ 472,827	$ 472,571	$ 423,535
Difference between the actual disposal price and book value of the subsidiaries' equity	1,984	1,984	1,984
May be used to offset losses only			
Lapsed stock options	123,244	123,244	122,907
Exercised employee stock options	51,957	39,415	22,615
May not be used for any purposes (2)			
Employee stock options	30,757	38,797	46,446
	$ 680,769	$ 676,011	$ 617,487

1. This type of capital surplus may be used to offset losses or to issue cash dividends or appropriate share capital in the absence of losses. Share capital appropriation is limited to a certain percentage of paid-in capital each year.
2. Capital surplus generated due to the issuance of employee stock options may not be used for any purposes.

(III) Retained earnings and dividend policy

According to the earnings distribution policy stated in the Company's Articles of Incorporation, any earnings for the year should be used to pay taxes according to laws, offset losses from prior years and then appropriate 10% as legal reserves and recognize or reverse any special reserves required by laws. The remaining balance, along with accumulative and undistributed earnings from the previous year, may be used for earnings distribution. However, a portion may be reserved for business needs before the issuance of dividends to shareholders. The Company is in a growth stage. To fund the future operation and development, the Board of Directors proposes the earnings distribution and the issuance of dividends to shareholders is proceeded after resolution from the shareholders' meeting. The Company's policy regarding employees' remuneration and directors' remuneration is stated in the Articles of Incorporation. Please refer to Note 21 (7) for employees' remuneration and directors' remuneration.

According to the Company's Articles of Incorporation, the percentage of earnings to be distributed according to the resolution, in principle, may not fall below 10% of the distributable earnings for the year. Dividends may be issued in cash or with shares. The percentage of dividends distributed in cash may not fall below 10% of the total dividends. However, stock dividends will be issued in lieu of cash dividends below NT$0.2 per share.

Appropriation to the legal reserve shall continue and may stop when the legal reserve reaches the same amount as the paid-in capital. The legal reserve may be used to offset losses. If the legal reserve exceeds 25% of the paid-in capital and there are no losses, the exceeding portion may be distributed in cash.

The Company held the Board of Directors meeting on March 15, 2024 for the proposal and the shareholders' meeting on June 16, 2023 for the resolution of the 2023 and 2022 earnings distribution as follows:

	Earnings distribution		Dividend per share (NT$)	
	2023	2022	2023	2022
Legal reserve	$ 92,507	$ 96,973		
Stock dividends	-	42,522	$ -	$ 1
Cash dividends	612,854	552,785	13	13
	$ 705,361	$ 692,280		

The 2023 earnings distribution is subject to the resolution of the annual general shareholders' meeting scheduled for June 18, 2024.

(IV) Other equity

1. Exchange differences on translation of financial statements of foreign operations

	January 1 to March 31, 2024	January 1 to March 31, 2023
Balance at the beginning of the period	(\$ 83,887)	(\$ 102,247)
Incurred during the period		
Exchange differences on translation of financial statements of foreign operations	127,775	(14,985)
Relevant income taxes	(25,555)	2,996
Balance at the end of the period	\$ 18,333	(\$ 114,236)

2. Unrealized gain (loss) of financial assets measured at fair value through other comprehensive incomes

	January 1 to March 31, 2024	January 1 to March 31, 2023
Balance at the beginning of the period	\$ 848,156	\$ 592,116
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive incomes	(265,398)	441,040
Balance at the end of the period	\$ 582,758	\$ 1,033,156

XX. Revenue

	January 1 to March 31, 2024	January 1 to March 31, 2023
Revenue from contracts with customers		
Barcode printers	\$ 922,290	\$ 938,352
Labels and printer consumables	812,064	785,770
Barcode printer components and others	141,132	183,927
	\$ 1,875,486	\$ 1,908,049

(I) Explanations of revenue from contracts with customers

The consolidated company primarily sells barcode printers and relevant components to China, Taiwan, other parts of Asia, Europe and the Americas.

According to the consolidated company's agreement with distributors, if the purchase of certain models by distributors reaches the contracted volume, the consolidated company will provide incentives at a percentage of the procurement value or retrospective unit price reductions for certain models. Based on past experiences and considering various agreement terms and conditions, the consolidated company estimates the possible rewards and incentives amount and recognizes refund liabilities (as other current liabilities) accordingly. As of March 31, 2024, December 31, 2023 and March 31, 2023, the consolidated company estimates the refund liabilities to be NT$88,584 thousand, NT$61,148 thousand, and NT$60,270 thousand, respectively.

(II) Breakdown of revenue from contracts with customers

	January 1 to March 31, 2024	January 1 to March 31, 2023
Main markets		
Taiwan and other parts of Asia	$ 298,046	$ 303,826
China	191,740	204,365
America	897,611	1,028,550
Europe	488,089	371,308
	$ 1,875,486	$ 1,908,049

XXI. Additional information about net income during the period

Net income during the period includes the following:

(I) Interest income

	January 1 to March 31, 2024	January 1 to March 31, 2023
Bank deposits	$ 2,813	$ 2,342

(II) Other incomes

	January 1 to March 31, 2024	January 1 to March 31, 2023
Rental incomes (Note 13)	$ 2,562	$ 2,441
Others	3,256	3,490
	$ 5,818	$ 5,931

(III) Other gains and losses

	January 1 to March 31, 2024	January 1 to March 31, 2023
Net exchange gain	$ 28,801	$ 3,829

Loss from financial instruments measured at fair value through profit or loss	(4,100)	(1,920)
Gain (loss) on disposal of equipment	(428)	128
Other losses	(835)	(673)
	$ 23,438	$ 1,364

(IV) Financial cost

	January 1 to March 31, 2024	January 1 to March 31, 2023
Bank loan interests	$ 11,757	$ 10,034
Lease liability interests	3,469	1,803
	$ 15,226	$ 11,837

(V) Depreciation and amortization

	January 1 to March 31, 2024	January 1 to March 31, 2023
Property, plant and equipment	$ 32,458	$ 27,112
Right-of-use assets	29,130	22,959
Intangible assets	12,570	17,330
	$ 74,158	$ 67,401
Deprecation by function		
Operating costs	$ 47,357	$ 35,669
Operating expenses	14,231	14,402
	$ 61,588	$ 50,071
Amortization by function		
Operating costs	$ 427	$ 240
Operating expenses	12,143	17,090
	$ 12,570	$ 17,330

(VI) Employee benefit expenses

	January 1 to March 31, 2024	January 1 to March 31, 2023
Shor-term employee benefits	$ 404,695	$ 357,264
Retirement benefits		
Defined contributions	12,409	11,557
Defined benefits	68	75
Share-based payment (Note 24)		
Equity settled	4,502	1,192
Other employee benefits	19,414	15,390
Total employee benefit expenses	$ 441,088	$ 385,478
Summary by function		
Operating costs	$ 181,453	$ 160,545

Operating expenses	259,635	224,933
	$ 441,088	$ 385,478

(VII) Employees' remuneration and directors' remuneration

In case of profits during the year, the Company shall allocate at least 2% but no more than 10% of the profits as employees' remuneration. The employees' remuneration is issued in cash or wish shares according to the decision by the Board of Directors. Eligible employees include the employees working for controlled or subordinated companies and meeting certain criteria defined by the Board of Directors. The Company may allocate up to 5% of the abovementioned profits as directors' remunerations according to the decision by the Board of Directors. The proposal for distribution of employees' remuneration and directors' remuneration should be reported to the shareholders' meeting. In case of accumulated losses, profits should be used to offset the losses before distributing the aforesaid percentage as employees' remuneration and directors' remuneration. The estimated and recognized employees' remuneration and directors' remuneration from January 1 to March 31, 2024 and from January 1 to March 31, 2023, respectively, are as follows:

Estimated and recognized percentage

	January 1 to March 31, 2024	January 1 to March 31, 2023
Employees' remuneration	5.0%	5.0%
Directors' remuneration	2.5%	2.5%

Amount

	January 1 to March 31, 2024	January 1 to March 31, 2023
Employees' remuneration	$ 10,724	$ 13,813
Directors' remuneration	$ 5,362	$ 6,906

In case of changes in the amounts after the approval and publication of annual consolidated financial statements, the difference shall be treated as changes in accounting estimates and recognized during the following year.

The employees' remuneration and directors' remuneration for 2023 and 2022 as determined by the Board of Directors on March 15, 2024 and March 15, 2023, respectively, are as follows:

	2023	2022
Employees' remuneration	$ 61,968	$ 65,458
Directors' remuneration	30,984	32,729

	$ 92,952	$ 98,187
Amounts recognized in financial statements	$ 92,952	$ 98,187

The information about the Company's employees' remuneration and directors' remuneration as determined by the Board of Directors is available on Taiwan Stock Exchange's Market Observation Post System.

XX. Income taxes

(I) Income tax recognized in profit and loss

The primary components of income tax expenses are as follows:

	January 1 to March 31, 2024	January 1 to March 31, 2023
Income tax during the period		
Incurred during the period	$ 42,032	$ 70,979
Adjustment for the previous year	(1,517)	713
	40,515	71,692
Deferred income tax		
Incurred during the period	16,859	2,217
Income tax expenses recognized in profit and loss	$ 57,374	$ 73,909

The income tax rate is 20% for profit-seeking enterprises and the tax rate on undistributed earnings is 5% in Taiwan. The subsidiaries in China is subject to a 25% tax rate; in the U.S. to a 27% tax rate, in Germany about 30%, and for the subsidiary in Poland about 19%. The tax rates in other jurisdictions are based on the local tax rates applicable.

(II) Income tax assessment

The business income tax filings from the Company and the Company's subsidiaries in Taiwan as profit-seeking enterprises up to 2022 have been assessed by the tax authorities.

XXIII. Earnings per share

	January 1 to March 31, 2024	January 1 to March 31, 2023
Basic earnings per share	$ 3.39	$ 4.37
Diluted earnings per share	$ 3.36	$ 4.32

When calculating the earnings per share, retrospective adjustments have been made for the effects of the bonus distribution. The bonus distribution base date is set as

August 7, 2023. Changes to the basic and diluted earnings per share for 2023 due to the retrospective adjustments are as shown below:

	Before retrospective adjustment 2023	After retrospective adjustment 2023
Basic earnings per share	$ 4.81	$ 4.37
Diluted earnings per share	$ 4.75	$ 4.32

The earnings and the weighted average number of ordinary shares for the calculation of earnings per share are as follows:

Net income for the period

	January 1 to March 31, 2024	January 1 to March 31, 2023
Net income attributable to the shareholders of the Company	$159,780	$204,329
Net income used for the calculation of earnings per share	$159,780	$204,329

Number of shares

Unit: Thousand shares

	January 1 to March 31, 2024	January 1 to March 31, 2023
Weighted average number of ordinary shares used for the calculation of earnings per share	47,143	42,521
Effects of dilutive potential ordinary shares:		
Employee stock options	205	196
Employees' remuneration	251	296
Average weighted number of ordinary shares used for the calculation of dilutive earnings per share	47,599	43,013

The consolidated company can opt to issue employees' remuneration with shares or in cash. The calculation of diluted earnings per share should assume the remuneration is paid with shares. The dilute potential ordinary shares should be included in the weighted average number of shares outstanding for the calculation of diluted earnings per share. The calculation of diluted earnings per share before the decision on the issuance of shares as employees' remuneration in the following year should also take into account the effects of dilutive ordinary shares.

XXIV. Shares-based Payment Agreement

The consolidated company did not issue any new employee stock options from January 1 to March 31, 2024 and from January 1 to March 31, 2023. Information on the employee stock options issued is as follows:

	January 1 to March 31, 2024		January 1 to March 31, 2023	
Employee stock options	Unit	Weighted average exercise price (NT$)	Unit	Weighted average exercise price (NT$)
Outstanding at the beginning of the period	1,366	137.9-241.0	895.5	159.9-194.8
Exercised during the period	(2)	137.9	(3)	159.9
Given up due to departure	(40)	241.0	-	-
Outstanding at the end of the period	1,324	137.9-241.0	892.5	159.9-194.8
Exercisable at the end of the period	271.6		410.3	
Weighted average time to maturity (years)	1.25~4.37 years		2.25~3.02 years	

Cost of remuneration recognized from January 1 to March 31, 2024 and from January 1 to March 31, 2023 amounted to NT$4,502 thousand and NT$1,192 thousand, respectively.

XXV. Capital Risk Management

The policy adopted by the Board of Directors seeks to sustain a robust capital structure, maintain the confidence from investors, creditors and the market and support the operational development going forward. The capital management of the consolidated company intends to protect the going concern capability, continue to create shareholder returns and other stakeholders' interest, maintain the optimal capital structure and reduce the cost of capital.

To maintain or adjust the capital structure, the consolidated company may adjust shareholders' dividends, reduce capital by returning funds to shareholders, issue new shares, repurchase shares, raise new debts or repay existing debts.

The consolidated company controls and manages capital structure with the liability ratio. This ratio is calculated with total liabilities divided by total assets. The consolidated company's capital management seeks to maintain a liability ratio of no more than 60% to ensure funding at a reasonable cost. The liability ratios for different time periods are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Total liabilities	$ 3,591,968	$ 3,496,072	$ 3,259,761
Total equity	$ 5,462,651	$ 5,461,271	$ 5,385,777
Total assets	$ 9,054,619	$ 8,957,343	$ 8,645,538
Liability ratio	39.67%	39.03%	37.70%

XXVI. Financial instruments

(I) Fair value – financial instruments not measured at fair value

The consolidated company believes that the carrying amounts of financial assets and financial liabilities that are not measured at fair value are close to their fair values or fair values that cannot be reliably measured.

(II) Fair value – recurring fair value measurement of financial instruments

1. Fair value hierarchy

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Derivatives	$ -	$ 277	$ -	$ 277
Financial assets measured at fair value through other comprehensive incomes				
Marketable securities listed on TPEx				
-Equity investment	$1,182,636	$ -	$ -	$1,182,636
Financial liabilities measured at fair value through profit or loss				
Derivatives	$ -	$ 2,466	$ -	$ 2,466
Contingent consideration of business combinations	$ -	$ -	$ 76,402	$ 76,402

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Derivatives	$ -	$ 4,543	$ -	$ 4,543
Financial assets measured at fair value through other comprehensive incomes				
Marketable securities listed on TPEx				
-Equity investment	$1,354,200	$ -	$ -	$1,354,200

	Level 1	Level 2	Level 3	Total
Contingent consideration of business combinations	$ -	$ -	$ 75,956	$ 75,956

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Derivatives	$ -	$ 355	$ -	$ 355
Financial assets measured at fair value through other comprehensive incomes				
Marketable securities listed on TPEx				
-Equity investment	$1,539,200	$ -	$ -	$1,539,200
Financial liabilities measured at fair value through profit or loss				
Derivatives	$ -	$ 2,541	$ -	$ 2,541

There was no transfer between Level 1 and Level 2 fair values from January 1 to March 31, 2024 and 2023.

2. Level 2 fair values – valuation techniques and input values

Types of financial instruments	Valuation techniques and input values
Derivatives – currency forwards and currency swaps	Discounted cash flows: Future cash flows are estimated based on observable forward exchange rates and contract rates at the end of the period and discounted with a rate reflective of credit risks of counterparties.

3. Reconciliation of financial instruments measured at Level 3 fair value

The only financial liabilities that the consolidated company subsequently measured using Level 3 fair value is the contingent consideration related to the acquisition of MGN company. Profit or loss from the contingent consideration that is not recognized in the Consolidated Comprehensive Income Statement for January 1 to March 31, 2024.

4. Level 3 fair values – valuation techniques and input values

Types of financial instruments	Valuation techniques and input values
Contingent consideration agreement	Option pricing model: Fair value that is obtained from the evaluation based on the

level of fluctuation, absence of risk interest rate, risk discounts and remaining life period.

(III) Types of financial instruments

	March 31, 2024	December 31, 2023	March 31, 2023
Financial Assets			
Measured at fair value through profit or loss			
Designated at fair value through profit or loss	$ 277	$ 4,543	$ 355
Measured at amortized cost (Note 1)	2,396,973	2,447,781	2,393,967
Equity instrument investments measured at fair value through other comprehensive income	1,182,636	1,354,200	1,539,200
Financial Liabilities			
Measured at fair value through profit or loss			
Held for trading	2,466	-	2,541
Measured at amortized cost (Note 2)	2,070,764	2,198,939	2,067,762
Contingent consideration of business combinations	76,402	75,956	-

Note 1: The balance includes financial assets measured at amortized cost such as cash and cash equivalents, notes receivable, accounts receivable, other receivables and other financial assets - non-current.

Note 2: The balance includes financial liabilities measured at amortized costs such as short-term loans, accounts payable, other payables and long-term loans (including those reaching maturity within one year).

(IV) Financial risk management objectives and policy

The financial risk management by the consolidated company is to manage the market risks (including exchange rate risks, interest rate risks and other price risks), credit risks and liquidity risks associated with operational activities. To reduce relevant financial risks, the consolidated company strives to identify, assess and hedge market uncertainty to mitigate the potential and adverse impact of market changes on the financial performance.

The consolidated company's important financing activities are reviewed by the Board of Directors and Audit Committee according to relevant regulations and the internal control system.

1. Market risks

The primary financial risks that the consolidated company is exposed to due to operating activities are foreign exchange rate risks (Note 1) and interest rate risks (Note 2). The company engages in certain derivatives transactions to manage the foreign exchange risks and interest rate risks. Currency forwards are the main instrument to hedge exchange rate risks incurred by exporting barcode printers to Europe and Americas.

There has been no change in the consolidated company's risk exposure in the financial instrument market and methods to manage and measure such exposure.

(1) Exchange rate risks

The consolidated company manages exchange rate risks by using currency forwards and currency swaps within the range allowed by policy.

Please refer to Note 29 for the carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies (including monetary items cancelled out in the consolidated financial statements) on the balance sheet date.

Sensitivity Analysis

The consolidated company is primarily subject to the exchange rate volatility of the Euro, the US dollars, Chinese yuan, and Japanese yen.

The table below details the consolidated company's sensitivity analysis of the impact when the NT dollars (functional currency) appreciates and depreciates by 3% again different foreign currencies. Positive numbers in the table below indicate the amount increased in profits before tax, with the NT dollars depreciating by 3% against different currencies. Negative numbers indicate the amount decreased in profits before tax, with the NT dollars appreciating by 3% against different currencies.

	Gains and losses	
	January 1 to March	January 1 to March

	31, 2024	31, 2023
Euro	$ 9,493 (i)	$ 13,987 (i)
United States dollars	10,198 (ii)	6,838 (ii)
Chinese Yuan	(350) (iii)	2,055 (iii)
Japanese Yen	(1,817) (iv)	(2,803) (iv)

(i) This is primarily due to the consolidated company's accounts receivable, bank deposits, short-term loans, and accounts payable denominated in Euro and outstanding on the balance sheet date, without hedged cash flows.

(ii) This is primarily due to the consolidated company's accounts receivable, bank deposits, short-term loans, and accounts payable denominated in the US dollars and outstanding on the balance sheet date, without hedged cash flows.

(iii) This is primarily due to the consolidated company's accounts receivable, bank deposits and accounts payable denominated in Chinese yuan and outstanding on the balance sheet date, without hedged cash flows.

(iv) This is primarily due to the consolidated company's bank deposits and accounts payable denominated in Japanese yen and outstanding on the balance sheet date, without cash flows hedged.

(2) Interest rate risks

The carrying amounts of the consolidated company's financial assets and financial liabilities exposed to interest rate risks on the balance sheet date are as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value interest rate risks			
- Financial assets	$ 245,970	$ 344,660	$ 692,950
- Financial liabilities	926,524	808,346	744,860
Cash flow interest rate risks			
- Financial assets	786,457	693,493	261,089
- Financial liabilities	587,823	620,235	648,978

The consolidated company is exposed to fair value interest rate risks due to its position of fixed-rate fixed-term bank deposits, bills sold under repurchase agreements, bank loans, and lease liabilities. The consolidated company is exposed to cash flow interest rate risks due to its position of floating-rate demand bank deposits, fixed-term bank deposits and bank loans.

Sensitivity Analysis

The sensitivity analysis below is based on the interest rate exposure of non-derivatives on the balance sheet date. It is assumed that all the floating rate liabilities on the balance sheet date are outstanding throughout the reporting period.

If the interest rate increases/decreases by 100 basis points and all other variables are unchanged, the consolidated company's profits before tax will decrease/increase by NT$497 thousand and increase/decrease by NT$970 thousand from January 1 to March 31, 2024 and from January 1 to March 31, 2023, respectively, primarily due to floating-rate bank deposits and bank loans.

The consolidated entity became less sensitive to interest rates this year mainly due to an increase in variable-interest financial assets.

(3) Other price risks

The consolidated company is exposed to equity price risks due to its position of TPEx-listed equity securities. The equity investments are not held for trading but for strategic purposes. The consolidated company does not actively trade such investments.

Sensitivity Analysis

The sensitivity analysis below is based on the equity price exposure on the balance sheet date.

If the equity price goes up/down by 1%, the other comprehensive incomes net of tax will increase/decrease by NT$11,826 thousand and by NT$15,392 thousand from January 1 to March 31, 2024 and from January 1 to March 31, 2023, respectively, due to changes in the fair value of financial assets measured at fair value through other comprehensive incomes.

The consolidated company's rising sensitivity to price risks during this period is primarily due to a decline in the fair value of investees.

2. Credit risks

Credit risks are the consolidated company's risks of financial losses due to the counterparties' delay in honoring contractual obligations. The consolidated company's credit risks primarily come from the cash generated from operating activities, bank deposits, accounts receivable and other financial instruments in investing activities.

Financial credit risks

The consolidated company controls the risk exposure to every financial institution. Bank deposits are with financial institutions of good credits and without major contract performance concerns. Therefore, there are no material credit risks.

Credit risks associated with operations

To reduce credit risks, the consolidated company establishes a credit policy for continued assessment of customers' financial statuses and transaction records. However, no security or guarantee from customers is required. To mitigate credit risks, the consolidated company's management implements other monitoring procedures to ensure the adoption of appropriate actions for the recovery of overdue receivables. Meanwhile, the consolidated company reviews the recoverable amount of each receivable on the balance sheet date to recognize appropriate credit loss for the unrecoverable receivables. Hence, the consolidated company's management does not think there are major credit risks for the consolidated company.

The top ten customers accounted for 39% and 39% of the consolidated company's operating incomes from January 1 to March 31, 2024 and from January 1 to March 31, 2023, respectively. To lower the credit risks, the consolidated company periodically assesses the financial statuses of customers and the recoverability of accounts receivable and recognizes appropriate allowance for losses accordingly.

3. Liquidity risks

The consolidated company manages and maintains sufficient cash and cash equivalents to support operations and mitigate the impact of cash flow volatility. To control liquidity risks, the consolidated company's management keeps a close eye on the utilization of credit lines with banks to ensure adherence to the borrowing terms and conditions. The consolidated company's current capital is adequate to meet the due liabilities. It is unlikely that the consolidated company is unable to repay financial liabilities or honor relevant obligations in cash or with other financial assets. Please refer to (3) Credit Facilities for the available credit lines as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

(1) Table of Liquidity and Interest Rate Risks of Non-Derivative Financial Liabilities

The table below details the maturities of the consolidated company's non-derivative financial liabilities with repayment periods agreed. The analysis is based on the earliest possible repayment dates required and undiscounted cash flows of financial liabilities (including principals and estimated interests). In other words, the earliest and immediate repayment dates required by banks for loans are listed below, without considering the probabilities of banks immediately exercising such rights. The maturity analysis for other non-derivative financial liabilities is produced in reference to the agreed repayment dates.

March 31, 2024

	Within 1 year	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 956,034	$ -	$ -	$ -
Lease liabilities	108,975	78,933	161,237	26,236
Floating interest rate instruments	30,089	572,285	3,288	-
Fixed interest rate instruments	605,142	-	-	-
	$ 1,700,240	$ 651,218	$ 164,525	$ 26,236

December 31, 2023

	Within 1 year	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 983,471	$ -	$ -	$ -
Lease liabilities	91,837	41,459	9,287	-
Floating interest rate instruments	19,919	315,889	303,614	-
Fixed interest rate instruments	676,420	-	-	-
	$ 1,771,647	$ 357,348	$ 312,901	$ -

March 31, 2023

	Within 1 year	1-2 years	2-5 years	Over 5 years
Non-derivative				

financial liabilities				
Non-interest bearing liabilities	$ 842,641	$ -	$ -	$ -
Lease liabilities	97,827	68,105	8,440	-
Floating interest rate instruments	127,543	73,000	449,000	-
Fixed interest rate instruments	577,325	-	-	-
	$ 1,645,336	$ 141,105	$ 457,440	$ -

(2) Table of Liquidity and Interest Rate Risks of Derivative Financial Liabilities

The liquidity analysis of derivative financial instruments based on net settlements is produced with the undiscounted and contracted net cash inflows and outflows. The analysis on the derivatives based on gross settlements is produced with the undiscounted total cash inflows and outflows. If the payable or receivable amount is not fixed, the amount disclosed is estimated with the expected interest rate in reference to the yield curve on the balance sheet date.

March 31, 2024

	Within 3 months	3 months to 1 year	1-5 years	Over 5 years
Gross settlements				
Currency forwards				
-Inflow	$ 159,572	$ -	$ -	$ -
-Outflow	(162,460)	-	-	-
	($ 2,888)	$ -	$ -	$ -

March 31, 2023

	Within 3 months	3 months to 1 year	1-5 years	Over 5 years
Gross settlements				
Currency forwards				
-Inflow	$ 124,595	$ -	$ -	$ -
-Outflow	(127,200)	-	-	-
	($ 2,605)	$ -	$ -	$ -

(3) Credit facilities

	March 31, 2024	December 31, 2023	March 31, 2023
Secured credit facilities with banks (reviewed annually)			
- Utilized amount	$ 27,823	$ 20,029	$ -

- Available amount	99,646	85,974	-
	$ 127,469	$ 106,003	$ -
Unsecured credit facilities with banks (reviewed annually)			
- Utilized amount	$ 1,163,309	$ 1,271,395	$ 1,225,121
- Available amount	2,556,691	2,665,811	2,285,929
	$ 3,720,000	$ 3,937,206	$ 3,511,050

XXVII Related party transactions

The Company's ultimate controller is Taiwan Semiconductor Co., Ltd., which owned 36.05%, 36.05% and 36.34% of the Company's ordinary shares as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

All the transactions, account balances, incomes and gains, expenses and losses among the Company and its subsidiaries (i.e., the Company's affiliated parties) have been canceled out in the preparation of the consolidated financial statements and hence not disclosed in these notes. Except those disclosed in other notes, the transactions between the consolidated company and other affiliated parties are as follows:

(I) Names of and relations with the affiliated parties

Name of the affiliated party	Relation with the consolidated company
Taiwan Semiconductor Co., Ltd. (Taiwan Semiconductor)	The Company's parent
Tianjin Everwell Technology Co., Ltd. (Tianjin Everwell)	Affiliated company
Yangxin Everwell Electronic Co., Ltd. (Yangxin Everwell)	Affiliated company
TSC America, Inc.(TSCA)	Affiliated company
Taiwan Semiconductor Europe GmbH (TSCE)	Affiliated company

(II) Operating incomes

Itemized account	Affiliated party category	January 1 to March 31, 2024	January 1 to March 31, 2023
Revenues	Parent company	$ 8	$ -
	Affiliated company	9	4
		$ 17	$ 4

(III) Purchase

Affiliated party category	January 1 to March 31, 2024	January 1 to March 31, 2023
Parent company	$ 3	$ 156

The consolidated company's 120-day payment terms with the abovementioned affiliated parties are not significantly different from the terms with other suppliers.

(IV) Receivables from affiliated parties (excluding loans to affiliated parties)

Itemized account	Affiliated party category	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable – affiliated parties	Parent company	$ 17	$ 8	$ -
	Affiliated company	3	-	4
		$ 20	$ 8	$ 4
Other receivables – affiliated parties	Affiliated company	$ 1,735	$ 1,765	$ 1,560

No guarantee was obtained for the outstanding receivables from affiliated parties. No allowance for losses was recognized for receivables from affiliated parties from January 1 to March 31, 2024 and from January 1 to March 31, 2023.

(V) Payables to affiliated parties

Itemized account	Affiliated party category	March 31, 2024	December 31, 2023	March 31, 2023
Accounts payable – affiliated parties	Parent company	$ 25	$ 72	$ 164
Other payables – affiliated parties	Affiliated company	$ 1,583	$ 1,519	$ 1,507

No guarantee was provided for the outstanding payables to affiliated parties.

(VI) Other related party transactions

Itemized account	Affiliated party category	March 31, 2024	December 31, 2023	March 31, 2023
Lease income	Affiliated company	$ 536	$ 2,087	$ 512

The consolidated company gives the usage rights of the office and parking space to the affiliated company with the transfer of the operating lease. The transfer lease lasts for a period of five years, which can be renewed upon maturity. The lease payment is collected on a regular basis and processed following the general terms.

(VII) Management's remuneration

	January 1 to March 31, 2024	January 1 to March 31, 2023
Shor-term employee benefits	$ 26,523	$ 23,757
Retirement benefits	234	54
Shares-based payment	3,276	428
	$ 30,033	$ 24,239

Remuneration Committee determines the remuneration to directors and other key members of management in accordance with individual performances and market trends.

XXVIII. Pledged assets

The following assets of the consolidated company have been provided as collateral for borrowings from banks and leasing companies:

	March 31, 2024	December 31, 2023	March 31, 2023
Land	$ 2,197	$ 2,179	$ -
Buildings and structures - Net	26,416	15,905	-
Machinery and equipment - net	66,670	33,701	-
	$ 95,283	$ 51,785	$ -

XXIX. Information on Assets and Liabilities Denominated in Foreign Currencies and with Significant Influence

The following information is expressed with the foreign currencies other than the functional currencies of individual entities of the consolidated company. The disclosed exchange rates are the rates to convert foreign currencies to functional currencies. The assets and liabilities denominated in foreign currencies and with significant influence are as follows:

(Unit: thousand in NT dollars and foreign currencies)

March 31, 2024

	Foreign currency	Exchange rate	Carrying amount
Assets denominated in foreign currencies			
Monetary items			
United States dollars	$ 21,924	32.00 (USD: NTD)	$ 701,568
Euro	18,341	34.46 (EUR: NTD)	632,031
Chinese Yuan	30,566	4.408 (CNY: NTD)	134,735

Japanese Yen	1,143	0.212 (JPY: NTD)	242
			$ 1,468,576

Liabilities denominated in foreign currencies			
Monetary items			
United States dollars	11,301	32.00 (USD: NTD)	$ 361,632
Euro	9,158	34.46 (EUR: NTD)	315,585
Chinese Yuan	33,211	4.408 (CNY: NTD)	146,394
Japanese Yen	287,587	0.212 (JPY: NTD)	60,825
			$ 884,436

December 31, 2023

	Foreign currency	Exchange rate	Carrying amount
Assets denominated in foreign currencies			
Monetary items			
United States dollars	$ 24,029	30.705 (USD: NTD)	$ 737,810
Euro	18,065	33.98 (EUR: NTD)	613,849
Chinese Yuan	35,637	4.327 (CNY: NTD)	154,201
Japanese Yen	41	0.217 (JPY: NTD)	9
			$ 1,505,869
Liabilities denominated in foreign currencies			
Monetary items			
United States dollars	12,389	30.705 (USD: NTD)	$ 380,404
Euro	10,400	33.98 (EUR: NTD)	353,392
Chinese Yuan	38,056	4.327 (CNY: NTD)	164,668
Japanese Yen	209,400	0.217 (JPY: NTD)	45,440
			$ 943,904

March 31, 2023

	Foreign currency	Exchange rate	Carrying amount
Assets denominated in foreign currencies			
Monetary items			
United States dollars	$ 21,741	30.450 (USD: NTD)	$ 662,013

Euro	21,079	33.150 (EUR: NTD)	698,769
Chinese Yuan	47,474	4.431 (CNY: NTD)	210,357
			$ 1,571,139
Liabilities denominated in foreign currencies			
Monetary items			
United States dollars	14,255	30.450 (USD: NTD)	$ 434,065
Euro	7,015	33.150 (EUR: NTD)	232,547
Chinese Yuan	32,015	4.431 (CNY: NTD)	141,858
Japanese Yen	407,998	0.229 (JPY: NTD)	93,432
			$ 901,902

The exchange gain or loss (unrealized) with significant influence is as follows:

	January 1 to March 31, 2024		January 1 to March 31, 2023	
Functional currency	Functional currency converted to presentation currency	Net exchange gain (loss)	Functional currency converted to presentation currency	Net exchange gain (loss)
United States dollars	32.000 (USD: NTD)	$ 6,108	30.450 (USD: NTD)	($ 6,122)
Euro	34.460 (EUR: NTD)	4,822	33.150 (EUR: NTD)	23,151
Chinese Yuan	4.408 (CNY: NTD)	1,123	4.431 (CNY: NTD)	1,797
Japanese Yen	0.212 (JPY: NTD)	1,178	0.229 (JPY: NTD)	1,194
		$ 13,231		$ 20,020

XXX. Supplementary disclosure

(I) Information on significant transactions:

1. Loans to others: Table 1.
2. Endorsements and guarantees for others: Table 2.
3. Position of marketable securities at the end of the period (excluding subsidiaries): Table 3.
4. Cumulative purchase or sale of the same marketable security for at least NT$300 million or at an amount equivalent to 20% of the paid-in capital: none
5. Acquisition of real estates for at least NT$300 million or at an amount equivalent to 20% of the paid-in capital: none
6. Disposal of real estimates for at least NT$300 million or at an amount equivalent to 20% of the paid-in capital: none
7. Purchase from and sale to affiliated parties for at least NT$100 million or at an amount equivalent to 20% of the paid-in capital: Table 4

8. Receivables from affiliated parties for at least NT$100 million or at an amount equivalent to 20% of the paid-in capital: Table 5
9. Transaction of derivatives: Note 7
10. Other information: business relations and significant transactions (circumstances and amounts) between the parent company and subsidiaries and among subsidiaries: Table 6

(II) Information on investees: Table 7.

(III) Information on investments in China:

1. Names of investees in China, major businesses, paid-in capitals, investment methods, inward and outward remittances, shareholding percentages, investment gains (losses), carrying amounts of investments at the end of the period, repatriated investment gains (losses) and ceiling on investments in China: Table 8.
2. Significant transactions with investees in China directly or indirectly through third regions; prices, payment terms and unrealized profits or losses of such transactions: Table 9.
   (1) Purchase amounts and percentages, balances and percentages of corresponding payables as of the end of the period.
   (2) Sale amounts and percentages, balances and percentages of corresponding receivables as of the end of the period.
   (3) Property transaction amounts and resulting gains (losses).
   (4) Purchases and balances of check endorsements and guarantees and the offering of collaterals as of the end of the period.
   (5) Maximum balance, end-of-period balance, interest rate range and interest expenses of borrowings during the period.
   (6) Other transactions (such as offering and receiving of services) with significant influence on profit or loss or financial status during the period.

(IV) Information on major shareholders: names, shareholding amounts and percentages of the shareholders with at least 5% stakes: Table 10.

XXXI. <u>Segment information</u>

The information provided to the key decision-makers for resource allocation and segment performance reviews is focused on each delivered product type. The consolidated company’s segment reporting should be based on product categories. The two strategic business units are managed separately due to the different technologies and market strategies involved. Segment A sells barcode printers and relevant components. Segment B sells labels and printer consumables.

Revenues and Operating Results

The consolidated company’s reporting segment revenues and operating results are as follows:

	January 1 to March 31, 2024			
	Segment A	Segment B	Intersegment adjustment	Total
Revenue				
Revenue from external customers	$ 1,063,422	$ 812,064	$ -	$ 1,875,486
Intersegment revenue	143	2,415	(2,558)	-
Total revenue	$ 1,063,565	$ 814,479	($ 2,558)	$ 1,875,486
Segment profit (loss)	$ 212,851	$ 25,298	($ 20,995)	$ 217,154

	January 1 to March 31, 2023			
	Segment A	Segment B	Intersegment adjustment	Total
Revenue				
Revenue from external customers	$ 1,122,279	$ 785,770	$ -	$ 1,908,049
Intersegment revenue	487	23	(510)	-
Total revenue	$ 1,122,766	$ 785,793	($ 510)	$ 1,908,049
Segment profit (loss)	$ 277,384	$ 61,348	($ 60,494)	$ 278,238

The consolidated company treats intersegment sales as transactions with third parties by measuring these sales with prevalent market prices.

The consolidated company’s management allocates resources and assesses segment performance by referring to the internal reporting of segment profit or loss before tax (excluding non-recurrent items) according to the review by key decision-makers in operations. The consolidated company does not allocate income tax expenses (gains) and non-recurrent gains (losses) to reporting segments as income tax expenses (gains) and expenses and non-recurrent gains (losses) are managed at the group level. The reported amounts are consistent with the amounts in the reports used by operational decision-makers.

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Loans to Others

January 1 to March 31, 2024

Table 1

Unit: NT$ thousand unless otherwise indicated

No. (Note 1)	Financing company	Counter-party	Financial statement account (Note 2)	Related party?	Maximum balance for the period (Note 3, 4, 7)	Balance at the end of the period (Note 3, 7, 8)	Amount actually drawn (Note 7)	Interest rate range	Nature for financing	Transaction amounts	Reason for need for short-term financing	Recognized allowance for bad debts	Collateral		Financing limits for each borrowing company (Note 5)	Financing company's total financing amount limits (Note 6)
													Name	Value		
0	TSC Auto ID Technology Co., Ltd.	Mosfortico Investments sp. z o.o.	Other receivables – affiliated parties	Yes	172,300 (EUR 5,000 thousand)	-	-	-	The need for short-term financing	-	Operating capital	-	None	-	1,092,530	2,185,060
0	TSC Auto ID Technology Co., Ltd.	TSC Auto ID Technology EMEA GmbH	Other receivables – affiliated parties	Yes	34,460 (EUR 1,000 thousand)	34,460 (EUR 1,000 thousand)	8,615 (EUR 250 thousand)	-	The need for short-term financing	-	Operating capital	-	None	-	1,092,530	2,185,060
0	TSC Auto ID Technology Co., Ltd.	MGN sp. z o. o.	Other receivables – affiliated parties	Yes	172,300 (EUR 5,000 thousand)	172,300 (EUR 5,000 thousand)	34,460 (EUR 1,000 thousand)	-	The need for short-term financing	-	Operating capital	-	None	-	1,092,530	2,185,060

Note 1: Numbers in the column:

(1) 0 for the Company.

Note 2: This field is required for the accounts receivable from affiliated companies, accounts receivable from affiliated parties, transactions with shareholders, prepayments, temporary payments, etc. that are lending in nature.

Note 3: The maximum balance during the period and the balance as of the end of the period refer to the quotas determined by the Board of Directors, not the amounts actually utilized.

Note 4: The highest current balance is the highest balance amount accumulated for the period.

Note 5: Any need for short-term financing from the Company is capped at 20% of the book value of its most recent financial statements as audited or reviewed by CPAs.

Note 6: The aggregate amount of the Company's lending to others is capped at 40% of the book value of its most recent financial statements as audited or reviewed by CPAs.

Note 7: The foreign currency amounts listed in this table are expressed in New Taiwan dollars at the exchange rate of EU$1 = NT$34.46 on March 31, 2024.

Note 8: The Company's loan facility to its subsidiary, Mosfortico Investments sp. z oo, expired on March 15, 2024.

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Endorsements and Guarantees for Others

January 1 to March 31, 2024

Table 2

Unit: NT$ thousand unless otherwise indicated

No. (Note 1)	Name of the endorsement/guarantee provider	Endorsed/guaranteed entity		Limit of endorsements/guarantees for a single company (Note 3)	Maximum balance of endorsements/guarantees during the period (Note 6)	Balance of endorsements/guarantees as of the end of the period (Notes 4, 6)	Amount actually drawn (Notes 5, 6)	Amount endorsed/guaranteed by collateralizing assets	Cumulative endorsed/guaranteed amount as the % of book value in the most recent financial statements	Maximum limit of endorsements/guarantees (Note 3)	Endorsements/guarantees from the parent to subsidiaries	Endorsements/guarantees from subsidiaries to the parent	Endorsements/guarantees to entities in China	Remarks
		Name of the company	Relation (Note 2)											
0	TSC Auto ID Technology Co., Ltd.	TSC Auto ID Technology America Inc.	(2)	$ 2,185,060	$ 192,000 (USD 6,000 thousand)	$ 192,000 (USD 6,000 thousand)	$ -	$ -	3.51%	$ 3,277,591	Y	N	N	
0	TSC Auto ID Technology Co., Ltd.	TSC Auto ID Technology EMEA GmbH	(2)	2,185,060	16,000 (USD 500 thousand)	16,000 (USD 500 thousand)	-	-	0.29%	3,277,591	Y	N	N	

Note 1: Numbers in the column:

(1) 0 for the Company.

Note 2: Please indicate one of the following six types of relations between endorsers/guarantors and endorsees/guarantees:

(1) Company with business dealings.

(2) Company with over 50% voting shares directly and indirectly owned by the Company.

(3) Company who directly and indirectly owns at over 50% of the Company's voting shares.

(4) Between the companies with over 90% voting shares directly and indirectly owned by the Company.

(5) Between peers required for engineering project undertakings or between joint builders required to guarantee each other according to contract terms and conditions.

(6) Endorsement and guarantee to an investee by all shareholders according to shareholding percentages in a joint investment.

(7) Joint guarantee provided by peers in contract performance for off-plan property sales according to the Consumer Protection Act.

Note 3: The aggregate endorsed/guaranteed amount and the maximum endorsement/guarantee to a single company is capped at 60% and 40%, respectively, of the Company's book value according to the most recent financial statements as audited or reviewed by CPAs.

Note 4: This field is for the amount approved by the Board of Directors. However, please provide the amount decided by the Chairman if the Chairman is authorized by the Board of Directors according to Subparagraph 8 of Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 5: Amount actually utilized by the endorsed/guaranteed company within the endorsed/guaranteed range.

Note 6: The foreign currency amounts listed in this table are expressed in New Taiwan Dollar at the exchange rate of US$1 = NT$32.00 on March 31, 2024.

Note 7: The Company provides a customs endorsement/guarantee with a bank letter of guarantee for NT$4,000 thousand to Taipei Customs, Customs Administration.

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Position of marketable securities at the end of the period

March 31, 2024

Table 3

Unit: NT$ thousand/thousand shares/thousand units

Investees	Types and names of marketable securities (Note 1)	Relation with the issuer (Note 2)	Itemized account	End of the period				Remarks
				No. of units	Carrying amount (Note 3)	Shareholding percentage	Fair value	
	Shares							
The Company	Taiwan Semiconductor Co., Ltd.	Parent company	Financial assets measured at fair value through other comprehensive incomes – non-current	15,960	$ 1,182,636	6.06%	$ 1,182,636	

Note 1: Marketable securities in this table refer to stocks, bonds, beneficiary certificates and marketable securities derived from the aforesaid financial instruments according to IFRS 9 Financial Instruments.

Note 2: Blank in this column if the issuer of the marketable securities is not a related party.

Note 3: Column of carrying amount: Please provide the carrying amount after fair value adjustments and allowance for losses if measured at fair value or the carrying amount at amortized cost (net of allowance for losses) if not measured at fair value.

Note 4: Please refer to Tables 7 and 8 for information on subsidiaries.

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Purchase from and sale to affiliated parties for at least NT$100 million or at an amount equivalent to 20% of the paid-in capital

January 1 to March 31, 2024

Table 4

Unit: NT$ thousand unless otherwise indicated

Purchase (sale) company	Counterparties	Relation	Transactions				Circumstances and reasons why transaction terms are not at an arm's length		Notes and accounts receivable (payable)		Remarks
			Purchase (sale)	Amount	As % of total sale (purchase)	Credit period	Unit price	Credit period	Balance	As % of total notes and accounts receivable (payable) (%)	
The Company	TSCAE	Subsidiary	Sale of goods	($ 159,210)	(23%)	135 days based on monthly statements	-	-	$ 584,819	41%	
The Company	TSCAA	Subsidiary	Sale of goods	(128,096)	(18%)	120 days based on monthly statements	-	-	447,075	32%	
The Company	Tianjin TSC Auto ID Technology	Sub-subsidiary	Sale of goods	(157,127)	(22%)	60 days based on monthly statements	-	-	107,175	8%	
The Company	Tianjin TSC Auto ID Technology	Sub-subsidiary	Purchase	175,938	40%	60 days based on monthly statements	-	-	(146,394)	(30%)	

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Receivables from affiliated parties for at least NT$100 million or at an amount equivalent to 20% of the paid-in capital

March 31, 2024

Table 5

Unit: NT$ thousand unless otherwise indicated

Company from which receivables are recognized	Name of the counterparty	Relation	Receivables from affiliated parties (Note 1)		Turnover	Overdue receivables from affiliated parties		Recovered receivables from affiliated parties (Note 2)	Recognized allowance for losses
						Amount	Treatment		
The Company	TSCAE	Subsidiary	Accounts receivable Other receivables	$ 584,819 9,800	1.08	$ -	-	$ 75,193 8,804	$ -
The Company	TSCAA	Subsidiary	Accounts receivable Other receivables	447,075 951	1.17	-	-	51,001	-
The Company	Tianjin TSC Auto ID Technology	Subsidiary	Accounts receivable	107,175	5.91	-	-	48,309	-
Tianjin TSC Auto ID Technology	The Company	Parent company	Accounts receivable	146,394	4.47	-	-	49,876	-

Note 1: Please provide accounts receivable, notes receivable and other receivables.

Note 2: The amount recovered as of May 10, 2024.

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Business relations, circumstances and amounts of significant transactions between the parent and subsidiaries and among subsidiaries

January 1 to March 31, 2024

Table 6

Unit: NT$ thousand unless otherwise indicated

No.	Entity concerned	Name of the counterparty	Relation with the counterparty (Note 1)	Transaction with the counterparty			
				Item	Amount	Transaction terms and conditions	As % of the consolidated total revenue or the consolidated total assets (Note 2)
0	The Company	TSCAA	1	Accounts receivable	$ 447,075	Note 3	5%
			1	Revenues	128,096	Note 3	7%
			1	R&D expenses	23,992	Note 3	1%
		TSCAE	1	Accounts receivable	584,819	Note 3	6%
			1	Revenues	159,210	Note 3	8%
		TSCAD	1	Accounts receivable	31,080	Note 3	0%
		Tianjin TSC Auto ID Technology	1	Accounts receivable	107,175	Note 3	1%
			1	Revenues	157,127	Note 3	8%
			1	Accounts payable	146,394	Note 3	2%
			1	Purchase	175,938	Note 3	9%
		MGN	1	Other receivables	34,494	At an arm’s length	0%

Note 1: Relation with the counterparty:

1. The parent to a subsidiary
2. Subsidiary to the parent
3. Subsidiary to a subsidiary

Note 2: Transactions as a percentage of the consolidated total revenue or the consolidated total assets: If the transactions are a balance sheet item, the balance at the end of the period is calculated as a percentage of consolidated total assets. If the transactions are an income statement item, the cumulative amount is calculated as a percentage of the consolidated total revenue.

Note 3: Sales based on market prices Collection period: 60-135 days based on monthly statements

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Name and location of the investee, etc.

January 1 to March 31, 2024

Table 7

Unit: NT$ thousand unless otherwise indicated

Name of the investment company	Name of the investee	Location	Primary business	Original invested amount		Holdings at the end of the year			Profit (loss) of the investee during the period	Recognized investment gain (loss) during the period	Remarks
				End of this period	End of last year	No. of shares (thousand shares)	Ratio (%)	Carrying amount (Note 2)			
The Company	TSCAE	Germany	Sale of barcode printers and relevant components	$ 2,943	$ 2,943	Note 1	100.00	($ 59,839)	($ 14,247)	($ 14,247)	Subsidiary
The Company	TSCAA	United States	Sale of barcode printers and relevant components	1,096,621 (US$33,000 thousand)	1,096,621 (US$33,000 thousand)	16,000	100.00	1,063,113	(6,423)	(6,423)	Subsidiary
The Company	TSCHK	Hong Kong	Investment in production businesses and general imports/exports	47,468 (US$1,500 thousand)	47,468 (US$1,500 thousand)	12,711	100.00	806,172	23,471	23,471	Subsidiary
The Company	Printronix Auto ID Technology	Taiwan	Sale of barcode printers and relevant components	5,000	5,000	500	100.00	4,747	(48)	(48)	Subsidiary
The Company	DLS	United States	Printer consumables and customized design, integration, production and marketable of a variety of labels	801,558 (US$26,000 thousand)	801,558 (US$26,000 thousand)	1	100.00	1,426,720	16,318	16,318	Subsidiary
The Company	TSCIN	India	Sale of barcode printers and relevant components	2,791 (US$100 thousand)	2,791 (US$100 thousand)	710	100.00	908	(323)	(323)	Subsidiary
The Company	TSCPL	Poland	General investment	498,827 (PLN 67,084 thousand)	498,827 (PLN 67,084 thousand)	Note 2	100.00	512,118	2,247	2,247	Subsidiary
TSCAE	TSCAD	United Arab Emirates	Sale of barcode printers and relevant components	8,234	8,234	Note 1	100.00	(15,335)	(1,006)	(1,006)	Sub-subsidiary
TSCAE	TSCAS	Spain	Sale of barcode printers and relevant components	124	124	Note 1	100.00	3,131	90	90	Sub-subsidiary
DLS	PPL	United States	Selling of a variety of labels and printer consumables	US$115 thousand	US$115 thousand	850	100.00	42,393 (US$1,325 thousand)	2,025 (US$65 thousand)	2,025 (US$65 thousand)	Sub-subsidiary
TSCPL	MGN	Poland	Printer consumables and customized design, integration, production and marketable of a variety of labels	PLN 70,944 thousand	PLN 71,834 thousand	2	100.00	570,473 (PLN 71,142 thousand)	1,334 (PLN 168 thousand)	1,562 (PLN 197 thousand)	Sub-subsidiary

Note 1: The company license only specifies the amount of invested capital without the number of shares.

Note 2: Carrying amount net of unrealized gains from sales.

Note 3: Please refer to Tables 8 and 9 for information on investees in China.

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Information on investments in China

January 1 to March 31, 2024

Table 8

Unit: NT$ thousand unless otherwise indicated

Names of investees in China	Primary business	Paid-in capital (Note 5)	Investment method (Note 1)	Cumulative outward investments from Taiwan at the beginning of this period (Note 5)	Outward remittances or recovered investments during the period		Cumulative outward investments from Taiwan at the end of this period (Note 5)	Profit or loss of the investee during the period	Holding by the Company directly and indirectly	Recognized investment gain or loss during the period (Note 2)	Carrying amount of the investment at the end of the period	Total repatriated investment gains as of the end of this period	Remarks
					Outward remittances	Recovered investments							
Tianjin TSC Auto ID Technology Co., Ltd.	Production and marketing of barcode printers and relevant components	$ 46,284 (CNY 10,500 thousand)	(2) Investor: TSC Auto ID (H.K.) LTD	$ 48,000 (US$1,500 thousand)	$ -	$ -	$ 48,000 (US$1,500 thousand)	$ 23,471	100%	$ 23,471 (Note 3)	$ 864,298	$ 787,814	

Cumulative outward investments from Taiwan to China at the end of this period (Note 5)	Investment amount approved by the Investment Commission, MOEA (Note 5)	Ceiling imposed by the Investment Commission, MOEA on investments in China (Note 4)
$48,000 (US$1,500 thousand)	$48,000 (US$1,500 thousand)	$3,277,591

Note 1: Please indicate one of the following three investment methods:

(1) Direct investments in China

(2) Investments in China via third regions (Please indicate the investment companies in third regions)

(3) Other methods

Note 2: Recognized investment gains or losses during the period:

(1) Please note if there is no investment gain or loss yet during the preparatory stage.

(2) Please indicate one of the three following bases for recognition of investment gains or losses:

A. Financial statements audited by international accounting firms with cooperation ties with accounting firms in Taiwan.

B. Financial statements reviewed by the parent company’s external auditor in Taiwan.

C. Others.

Note 3: Note 2-2(B) for the basis of investment gains (losses) recognition.

Note 4: According to the Amendment to Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China on August 29, 2008 by the Investment Commission, the cap on investments in China is 60% of the book value.

Note 5: The foreign currency amounts listed in this table are expressed in New Taiwan dollars at the exchange rate of US$1 = NT$32.00 or RMB$1 = NT$4.408 on March 31, 2024.

TSC Auto ID Technology Co., Ltd. and Its Subsidiaries

Significant transactions with investees in China directly or indirectly through third regions; prices, payment terms and unrealized profits or losses of such transactions, and other relevant information

January 1 to March 31, 2024

Table 9 Unit: NT$ thousand unless otherwise indicated

Counterparties	Relation with the counterparty	Transaction type: purchase (sale)	Amount	Transaction terms and conditions			Notes and accounts receivable (payable)		Unrealized gains or losses
				Price	Payment terms	Comparison with transactions at an arm's length	Balance	%	
Tianjin TSC Auto ID Technology Co., Ltd.	Sub-subsidiary	Sale of goods	($ 157,127)	Note 1	60 days based on monthly statements	Equivalent	$ 107,175	8%	$ 58,168 (Note 2)
		Purchase	175,938	Note 1	60 days based on monthly statements	Equivalent	(146,394)	(30%)	

Note 1: The Company's transactions with affiliated parties are conducted according to the agreed prices.

Note 2: This refers to cumulative unrealized gains or losses as of March 31, 2024.

TSC Auto ID Technology Co., Ltd.

Information on major shareholders

March 31, 2024

Table 10

Unit: shares

Name of the major shareholder	Shares	
	No. of shares held	Shareholding percentage
Taiwan Semiconductor Co., Ltd.	16,995,230	36.05%
Standard Chartered Bank, Department of Business in custody for Fidelity Puritan Trust: Fidelity Low-Priced Fund Investment	2,544,911	5.39%

Note: The information on major shareholders in this table is based on the Taiwan Depository & Clearing Corporation data on the shareholders with at least 5% of paperless ordinary shares and preferred shares (including treasury shares) without registration on the final business day of the current quarter. The number of paperless shares may be different from the share capital recorded in the Company's consolidated financial statements due to differences in the basis of preparation.