Stock Code: 3611

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

Consolidated Financial Statement and Auditor's Review Report

Second Quarter of 2024/2023

Address: 9F., No.95, Minquan Rd., Xindian Dist., New Taipei City

Telephone: (02)2218-6789

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.

TABLE OF CONTENTS

Auditor's Review Report

To the Board of Directors and Shareholders of TSC Auto ID Technology Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of TSC Auto ID Technology Co., Ltd. and its subsidiaries (hereinafter referred to as "TSC Auto ID Technology Group") as at June 30, 2024 and 2023 and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant 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.

Basis for Qualified Conclusion

As explained in Note XI, the financial statements of insignificant consolidated subsidiaries were not reviewed by independent auditors. Those statements reflect total assets of NT$240,057 thousand, constituting of 2.53% of the consolidated total assets, and total liabilities of NT$165,333 thousand, constituting of 3.78% of the consolidated total liabilities as at June 30, 2023. The total comprehensive income is at NT$2,196 thousand, constituting 0.82% and 0.24% of the consolidated comprehensive income for the three months and six months then ended. The related information of the reinvested business as narrated in Note 32 to the consolidated financial statements and the contents of the abovementioned insignificant subsidiaries were recognized and disclosed based on their financial statements which were not reviewed by the independent auditors.

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 at June 30, 2024 and 2023, its consolidated financial performance for the three months and six months then ended and its consolidated cash flows for the six months then ended. With exception to the financial statements of certain insignificant consolidated subsidiaries which have been reviewed by independent auditors that might have been determined to be necessary for adjustments to the consolidated financial statements, if any, as described in the above situation.

Emphasis of Matter

As described in Note 14 to the consolidated financial statements, TSC Auto ID Technology Group acquired 100% of ownership of MGN sp. z o.o. on June 12, 2023 and obtained the valuation report in Q2 of 2024. Therefore, TSC Auto ID Technology Group has adjusted the original accounting treatment and provisional amount of MGN sp. z o.o. from the date of acquisition based on the valuation report and has restated the information in the comparison period.

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. These subsidiaries accounted for 24.88% and 18.10% of the total consolidated assets as at June 30, 2024 and 2023, respectively; 40.49% and 34.46%, and 41.83% and 37.59% of the consolidated revenue for the three months and six months then ended; 5.98% and 17.28%, and 12.33% and 9.78% of the total comprehensive income for the six months then ended.

Deloitte Taiwan

CPA Chang Li Chun	CPA Fan You Wei
Official Letter of Approval by Financial Supervisory Commission	Official Letter of Approval by Securities and Futures Commission
Financial-Supervisory-Securities-Corporate -1100356048	Taiwan-Finance-Securities-VI-0920123784

August 9, 2024

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

Consolidated Balance Sheet

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

Unit: NT$ thousand

Code	Asset	June 30, 2024 Amount	%	December 31, 2023 (After measurement period adjustment) Amount	%	June 30, 2023 (After measurement period adjustment) Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	$ 1,169,071	12	$ 1,065,550	12	$ 1,116,765	12
1110	Financial assets at fair value through profit or loss (Note 7)	-	-	4,543	-	-	-
1170	Notes and accounts receivable, net (Notes 9, 28)	1,321,718	14	1,306,353	15	1,496,274	16
1200	Other receivables (Note 28)	54,024	1	31,482	-	91,010	1
130X	Inventory (Note 10)	1,629,427	17	1,493,841	17	1,640,594	17
1410	Prepayments	65,641	1	46,640	-	84,340	1
1470	Other current assets (Note 16)	56,724	1	13,478	-	7,630	-
11XX	Total current assets	4,296,605	46	3,961,887	44	4,436,613	47
	Non-current assets						
1517	Financial assets at fair value through other comprehensive income (Note 8)	1,209,768	13	1,354,200	15	1,437,080	15
1600	Property, plant and equipment (Notes 12 and 29)	1,309,159	14	1,276,149	14	1,196,389	13
1755	Right-of-use assets (Note 13)	303,936	3	148,301	2	193,641	2
1805	Goodwill (Note 14)	1,324,198	14	1,261,280	14	1,269,509	13
1821	Other intangible assets (Note 15)	407,343	5	418,727	5	404,090	4
1840	Deferred income tax assets	400,054	4	433,697	5	406,582	4
1990	Other non-current assets (Note 16)	85,852	1	100,862	1	142,014	2
15XX	Total non-current assets	5,040,310	54	4,993,216	56	5,049,305	53
1XXX	Total assets	$ 9,336,915	100	$ 8,955,103	100	$ 9,485,918	100
Code	Liabilities and equity						
	Current liabilities						
2100	Short-term loans (Note 17)	$ 689,717	7	$ 671,395	7	$ 613,190	6
2120	Financial liabilities at fair value through profit or loss (Note 7)	54,866	1	19,674	-	24,695	-
2170	Accounts payable (Note 28)	764,362	8	691,240	8	745,386	8
2200	Other payables (Notes 18 and 28)	1,064,432	11	494,198	6	1,027,767	11
2230	Income tax liability during the period	79,467	1	94,966	1	162,506	2
2250	Liability reserve	7,001	-	6,595	-	6,589	-
2280	Lease liability (Note 13)	83,388	1	87,535	1	111,390	1
2320	Long-term liabilities due within one year (Note 17)	8,443	-	8,875	-	37,220	-
2399	Other current liabilities (Note 20)	142,024	2	119,110	1	158,108	2
21XX	Total current liabilities	2,893,700	31	2,193,588	24	2,886,851	30
	Non-current liabilities						
2500	Financial liabilities at fair value through profit or loss (Note 7)	20,718	-	54,521	1	52,709	1
2540	Long-term loans (Note 17)	446,980	5	611,154	7	765,817	8
2570	Deferred income tax liabilities	546,573	6	522,111	6	477,108	5
2580	Lease liability (Note 13)	203,706	2	49,622	1	88,493	1
2640	Net defined benefit liability	16,878	-	16,842	-	14,983	-
2670	Other non-current liabilities	59,065	1	45,994	-	85,174	1
25XX	Total non-current liabilities	1,293,920	14	1,300,244	15	1,484,284	16
2XXX	Total liabilities	4,187,620	45	3,493,832	39	4,371,135	46
	Equity (Note 19)						
3110	Ordinary share capital	471,501	5	471,406	5	426,119	5
3150	Stock dividends to be distributed	-	-	-	-	42,522	-
3200	Capital surplus	686,239	7	676,011	8	632,183	7
	Retained earnings						
3310	Legal reserve	862,984	9	770,477	9	770,477	8
3320	Special reserve	8,597	-	8,597	-	8,597	-
3350	Unappropriated earnings	2,453,407	27	2,770,511	31	2,377,572	25
3300	Total retained earnings	3,324,988	36	3,549,585	40	3,156,646	33
3400	Other equity	666,567	7	764,269	8	857,313	9
3XXX	Total equity	5,149,295	55	5,461,271	61	5,114,783	54
	Total liabilities and equity	$ 9,336,915	100	$ 8,955,103	100	$ 9,485,918	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 August 9, 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 April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023

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

		April 1 to June 30, 2024		April 1 to June 30, 2023 (After measurement period adjustment)		January1 to June 30, 2024		January 1 to June 30, 2023 (After measurement period adjustment)	
Code		Amount	%	Amount	%	Amount	%	Amount	%
	Operating incomes (Notes 20, 28)								
4110	Revenues	$ 2,068,983	100	$ 2,194,641	100	$ 3,944,469	100	$ 4,102,690	100
	Operating costs (Notes 10, 21, 28)								
5110	Cost of goods sold	1,376,998	66	1,417,857	65	2,661,083	67	2,700,263	66
5900	Gross profits	691,985	34	776,784	35	1,283,386	33	1,402,427	34
	Operating expenses (Notes 9, 21, 28)								
6100	Sales & marketing expenses	235,804	12	191,223	9	451,441	12	370,286	9
6200	Administrative expenses	128,396	6	140,117	6	247,990	6	254,915	6
6300	R&D expenses	63,475	3	60,631	3	119,334	3	111,975	3
6000	Total operating expenses	427,675	21	391,971	18	818,765	21	737,176	18
6900	Operating profits	264,310	13	384,813	17	464,621	12	665,251	16
	Non-operating incomes and expenses (Notes 21 and 28)								
7100	Interest income	4,117	-	2,458	-	6,930	-	4,800	-
7190	Other incomes	38,323	2	62,552	3	44,141	1	68,483	2
7020	Other gains and losses	10,589	1	12,677	1	34,027	1	14,041	-
7050	Financial cost	(16,810)	(1)	(13,677)	(1)	(32,036)	(1)	(25,514)	-
7000	Total non-operating incomes and expenses	36,219	2	64,010	3	53,062	1	61,810	2
7900	Profits before tax	300,529	15	448,823	20	517,683	13	727,061	18
7950	Income tax expenses (Note 22)	72,052	4	121,021	5	129,426	3	194,930	5
8200	Net income for the period	228,477	11	327,802	15	388,257	10	532,131	13
	Other comprehensive incomes (Note 19)								
8310	Items that are not to be reclassified to profit or loss								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive incomes	27,132	1	(102,120)	(5)	(238,266)	(6)	338,920	8
8360	Items that may be subsequently reclassified to profit or loss								
8361	Exchange differences on translation of financial statements of foreign operations	47,930	2	50,641	2	175,705	4	35,656	1
8399	Income tax components that may be reclassified	(9,586)	-	(10,128)	-	(35,141)	(1)	(7,132)	-
8300	Other comprehensive income for the period (net of tax)	65,476	3	(61,607)	(3)	(97,702)	(3)	367,444	9
8500	Total comprehensive income for the period	$ 293,953	14	$ 266,195	12	$ 290,555	7	$ 899,575	22
	Net income attributable to:								
8610	Shareholders of the Company	$ 228,477	11	$ 327,802	15	$ 388,257	10	$ 532,131	13
	Total comprehensive income attributable to:								
8710	Shareholders of the Company	$ 293,953	14	$ 266,195	12	$ 290,555	7	$ 899,575	22
	Earnings per share (Note 23)								
9710	Basic	$ 4.85		$ 7.01		$ 8.24		$ 11.38	
9810	Diluted	$ 4.81		$ 6.94		$ 8.16		$ 11.24	

The notes are an integral part of these consolidated financial statements.
(Please refer to the auditor's review report issued by Deloitte Taiwan on August 9, 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 Statement of Changes in equity

From January 1 to June 30, 2024 and from January 1 to June 30, 2023

Unit: NT$ thousand unless otherwise indicated

		Share capital				Retained earnings				Other equity			
Code		No. of shares (thousand shares)	Ordinary share capital	Stock dividends to be distributed	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total retained earnings	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	42,519	$ 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	93	930	-	13,941	-	-	-	-	-	-	-	14,871
	Appropriation and distribution of 2022 earnings												
B1	Legal reserve	-	-	-	-	96,973	-	(96,973)	-	-	-	-	-
B5	Cash dividends to the company's shareholders	-	-	-	-	-	-	(552,785)	(552,785)	-	-	-	(552,785)
B9	Stock dividends to the company's shareholders	-	-	42,522	-	-	-	(42,522)	(42,522)	-	-	-	-
D1	Net income from January 1 to June 30, 2023 (measurement period adjustment)	-	-	-	-	-	-	532,131	532,131	-	-	-	532,131
D3	Other comprehensive income (net of tax) from January 1 to June 30, 2023 (measurement period adjustment)	-	-	-	-	-	-	-	-	28,524	338,920	367,444	367,444
D5	Total comprehensive income from January 1 to June 30, 2023 (measurement period adjustment)	-	-	-	-	-	-	532,131	532,131	28,524	338,920	367,444	899,575
N1	Share-based compensation – employee stock options (Note 24)	-	-	-	2,397	-	-	-	-	-	-	-	2,397
Z1	Balance on June 30, 2023	42,612	$ 426,119	$ 42,522	$ 632,183	$ 770,477	$ 8,597	$ 2,377,572	$ 3,156,646	($ 73,723)	$ 931,036	$ 857,313	$ 5,114,783
A1	Balance on January 1, 2024	47,141	$ 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	9	95	-	1,215	-	-	-	-	-	-	-	1,310
	Appropriation and distribution of 2023 earnings												
B1	Legal reserve	-	-	-	-	92,507	-	(92,507)	-	-	-	-	-
B5	Cash dividends to the company's shareholders	-	-	-	-	-	-	(612,854)	(612,854)	-	-	-	(612,854)
D1	Net income from January 1 to June 30, 2024	-	-	-	-	-	-	388,257	388,257	-	-	-	388,257
D3	Other comprehensive income (net of tax) from January 1 to June 30, 2024	-	-	-	-	-	-	-	-	140,564	(238,266)	(97,702)	(97,702)
D5	Total comprehensive income from January 1 to June 30, 2024	-	-	-	-	-	-	388,257	388,257	140,564	(238,266)	(97,702)	290,555
N1	Share-based compensation – employee stock options (Note 24)	-	-	-	9,013	-	-	-	-	-	-	-	9,013
Z1	Balance on June 30, 2024	47,150	$ 471,501	$ -	$ 686,239	$ 862,984	$ 8,597	$ 2,453,407	$ 3,324,988	$ 56,677	$ 609,890	$ 666,567	$ 5,149,295

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

(Please refer to the auditor's review report issued by Deloitte Taiwan on August 9, 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 Statement of Cash Flows
From January 1 to June 30, 2024 and from January 1 to June 30, 2023

Unit: NT$ thousand

Code		January 1 to June 30, 2024	January 1 to June 30, 2023 (After measurement period adjustment)
	Cash flows from operating activities		
A10000	Profit before tax	$ 517,683	$ 727,061
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation	125,359	103,543
A20200	Amortization	28,870	33,088
A20300	Expected credit loss (gain on reversal)	(1,490)	5,821
A20900	Financial cost	32,036	25,514
A21200	Interest income	(6,930)	(4,800)
A21300	Dividend income	(31,920)	(59,200)
A21900	Cost of employee stock options	9,013	2,397
A22500	Loss (gain) from disposal and scrapped equipment	449	(812)
A23700	Loss for market price decline and obsolete inventory	1,748	7,033
A29900	Gain on lease amendment	-	(16)
A24100	Unrealized foreign exchange gains	(28,149)	(26,754)
A30000	Net changes in operating assets and liabilities		
A31115	Financial assets designated at fair value through profit or loss	4,543	1,798
A31150	Notes and accounts receivable	50,784	(31,668)
A31180	Other receivables	9,328	22,538
A31200	Inventory	(81,583)	49,564
A31230	Prepayments	(15,690)	(44,584)
A31240	Other current assets	(1,484)	1,051
A31990	Other non-current assets	1,229	2,687
A32110	Financial liabilities held for trading	74,662	3,691
A32150	Accounts payable	26,561	(65,203)
A32180	Other payables	(123,314)	(34,964)
A32230	Other current liabilities	20,023	13,433
A32240	Net defined benefit liability	36	29
A32990	Other non-current liabilities	11,262	10,766
A33000	Cash inflows from operating activities	623,026	742,013
A33100	Interest received	7,374	4,822
A33500	Income tax paid	(108,179)	(136,702)
AAAA	Net cash flows from operating activities	522,221	610,133

(Continued on next page)

(Continued from previous page)

Code		January 1 to June 30, 2024	January 1 to June 30, 2023 (After measurement period adjustment)
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive incomes	($ 93,834)	$ -
B02200	Net cash outflow for acquisition of subsidiary (Note 25)	-	(358,490)
B02700	Purchase of property, plant and equipment	(42,890)	(34,124)
B02800	Proceeds from sale of property, plant and equipment	-	899
B03700	Increase in refundable deposits	(91)	(2,490)
B03800	Decrease in refundable deposits	72	67
B04500	Purchase of intangible assets	(2,281)	(10,835)
B06500	Increase in other financial asset	-	(44,404)
B07100	Increase in equipment prepayments	(57,673)	(13,741)
BBBB	Net cash outflows from investing activities	(196,697)	(463,118)
	Cash flows from financing activities		
C00100	Increase (decrease) in net short-term loans	19,131	(283,978)
C01600	Borrowing of long-term loans	-	300,000
C01700	Repayment of long-term loans	(164,667)	(143,906)
C03100	Return of guarantee deposits received	-	(219)
C04020	Repayment of lease principals	(65,053)	(40,929)
C04800	Exercise of employee stock options	1,310	14,871
C05600	Interest paid	(32,749)	(25,868)
CCCC	Net cash outflows from financing activities	(242,028)	(180,029)
DDDD	Currency impact on cash and cash equivalents	20,025	7,733
EEEE	Net increase (decrease) in cash and cash equivalents during the period	103,521	(25,281)
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	$ 1,169,071	$ 1,116,765

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

(Please refer to the auditor’s review report issued by Deloitte Taiwan on August 9, 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

Notes to Consolidated Financial Statements

From January 1 to June 30, 2024 and from January 1 to June 30, 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 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 August 9, 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 International Accounting Standards Board (IASB), recognized by the Financial Supervisory Commission and applicable in 2025

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

Note 1: The amendment is effective for 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.

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the IFRSs endorsed by the FSC and to be effective in 2025 will not result in significant changes in the Group's accounting policies.

(III) IFRSs published by 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)
“Annual Improvements to IFRS Accounting Standards — Volume 11”	January 1, 2026
IFRS 9 and IFRS 7 Amendments: Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
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 Statements"	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability”	January 1, 2027

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.

IFRS 18 "Presentation and Disclosures of Financial Statements"

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

- Items in the statement of profit or loss will be classified into one of five categories: operating; investing; financing; income taxes; and discontinued operations.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that 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.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management's view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is 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 consolidated comprehensive income statement has included the profit and loss of the subsidiary(ies) acquired from the date of acquisition in this period. 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

	June 30, 2024	December 31, 2023	June 30, 2023
Vault cash and petty cash	$ 202	$ 199	$ 270
Bank checks and demand deposits	753,972	765,351	768,323
Cash equivalents			
Fixed-term bank deposits with original maturity within three months	214,897	300,000	248,172
Bills sold under repurchase	200,000	-	100,000

agreements	$ 1,169,071	$ 1,065,550	$ 1,116,765

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

	June 30, 2024	December 31, 2023	June 30, 2023
Financial Assets – Current			
Designated at fair value through profit or loss			
Derivatives (non-hedging)			
Currency forward contracts (1)	$ -	$ 4,543	$ -
Financial Liabilities – Current			
Held for trading			
Derivatives (non-hedging)			
Currency forward contracts (1)	$ 369	$ -	$ 5,675
Contingent consideration (Note 25)	54,497	19,674	19,020
	$ 54,866	$ 19,674	$ 24,695
Financial Liabilities - Non-current			
Contingent consideration (Note 25)	$ 20,718	$ 54,521	$ 52,709

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

June 30, 2024

	Currency	Maturity	Nominal value (NT$ thousand)
Short forwards	USD to NTD	July 24, 2024	USD 2,000/NTD 64,497

December 31, 2023

	Currency	Maturity	Nominal value (NT$ thousand)
Short forwards	USD to NTD	January 19,2024 – February 21,2024	USD 4,000/NTD 124,789
	Euro to NTD	January 18,2024	EUR 3,000/NTD 104,167

June 30, 2023

	Currency	Maturity	Nominal value (NT$ thousand)
Short forwards	Euro to NTD	July 21,2023 – September 21,2023	EUR 6,000/NTD 198,331
	USD to NTD	July 21,2023 – August 24,2023	USD 3,000/NTD 91,275

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

	June 30, 2024	December 31, 2023	June 30, 2023
Equity Instrument Investments – Non-Current			
Domestic investments			
TPEx-listed stocks	$ 1,209,768	$ 1,354,200	$ 1,437,080

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

	June 30, 2024	December 31, 2023	June 30, 2023
Receivables			
Notes receivable	$ 1	$ 25	$ -
Accounts receivable	1,348,815	1,334,142	1,519,555
Less: allowance for losses	(27,117)	(27,822)	(23,302)
Accounts receivable – affiliated parties (Note 28)	19	8	21
	$ 1,321,718	$ 1,306,353	$ 1,496,274

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:

June 30, 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	$ 1,101,436	$ 196,237	$ 20,058	$ 5,420	$ 8,569	$ 11,455	$ 5,641	$ 1,348,816
Allowance for losses (lifetime expected credit losses)	(6,329)	(1,962)	(602)	(271)	(857)	(11,455)	(5,641)	(27,117)
Amortized cost	$ 1,095,107	$ 194,275	$ 19,456	$ 5,149	$ 7,712	$ -	$ -	$ 1,321,699

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	$ 1,033,666	$ 261,279	$ 11,481	$ 9,218	$ 6,424	$ 6,358	$ 5,741	$ 1,334,167
Allowance for losses (lifetime expected credit losses)	(11,663)	(2,613)	(344)	(461)	(642)	(6,358)	(5,741)	(27,822)
Amortized cost	$ 1,022,003	$ 258,666	$ 11,137	$ 8,757	$ 5,782	$ -	$ -	$ 1,306,345

June 30, 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	$ 1,152,758	$ 325,207	$ 19,463	$ 4,992	$ 3,468	$ 9,518	$ 4,149	$ 1,519,555
Allowance for losses (lifetime expected credit losses)	(5,202)	(3,252)	(584)	(250)	(347)	(9,518)	(4,149)	(23,302)
Amortized cost	$ 1,147,556	$ 321,955	$ 18,879	$ 4,742	$ 3,121	$ -	$ -	$ 1,496,253

Change to allowance of losses of receivables is as follows:

	January 1 to June 30, 2024	January 1 to June 30, 2023
Balance at the beginning of the period	$ 27,822	$ 17,114
Add: Provision (reversal) of impairment loss for the period	(1,490)	5,821
Add: Recovery of bad debts that were written off	61	-
Less: actual charge-offs made in the period	(6)	-
Difference in foreign currency translation	730	367
Balance at the end of the period	$ 27,117	$ 23,302

X. Inventory

	June 30, 2024	December 31, 2023	June 30, 2023
Finished goods	$ 724,056	$ 712,916	$ 693,409
Semi-finished goods	289,722	292,603	284,125
Work in process	85,848	27,199	74,140
Raw materials	529,801	461,123	588,920
	$ 1,629,427	$ 1,493,841	$ 1,640,594

Cost of goods sold by nature:

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Inventory cost for sold goods	$ 1,377,367	$ 1,404,149	$ 2,659,335	$ 2,693,230
Loss on inventory valuation and obsolescence (gain on recovery)	(369)	13,708	1,748	7,033
	$ 1,376,998	$ 1,417,857	$ 2,661,083	$ 2,700,263

The increase in the net realizable value of inventories from April 1 to June 30, 2024 was mainly attributable to the increase in the selling price of such inventories in specific markets.

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 June 30, 2024	Shareholding percentage December 31, 2023	Shareholding percentage June 30, 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%	-
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%	-
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) (Note 25)	Printer consumables and customized design, integration, production and marketable of a variety of labels	100%	100%	100%	Note 1

Note 1: It is not a substantial subsidiary, its financial statements for the six months ended June 30, 2023 have not been reviewed by the CPA.

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

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

(III) Other information: The financial statements of the subsidiaries included in the consolidated financial statements as described above, except for those disclosed in (I) and Note 1, have been reviewed by the Company's CPA and other CPA for the same period.

XII. Property, plant and equipment

	June 30, 2024	December 31, 2023	June 30, 2023
Land	$ 230,532	$ 230,461	$ 230,291
Buildings and structures	302,834	305,827	308,859
Machinery and equipment	681,163	593,316	567,819
Other equipment	86,197	82,894	87,739
Construction in progress	8,433	63,651	1,681
	$ 1,309,159	$ 1,276,149	$ 1,196,389

The consolidated company has in June 2023 acquired property, plant and equipment through stock acquisition. Please refer to Note 25 for related information.

Except for the above paragraph and the depreciation expense recognized, the Group did not have any material addition, disposal or impairment of property, plant and equipment for the six months ended June 30, 2024 and 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

Please see Note 29 for the amount of property, plant and equipment pledged as collateral for long-term borrowings to banks.

XIII. Lease agreement

(I) Right-of-use assets

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amount of right-of-use assets			
Buildings	$ 274,434	$ 117,832	$ 189,225
Transportation equipment	11,995	12,976	4,416
Machinery and equipment	17,507	17,493	-
	$ 303,936	$ 148,301	$ 193,641

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Purchase of right-of-use assets	$ 4,807	$ 32,172	$ 207,460	$ 33,427
Depreciation of right-of-use assets				
Buildings	$ 28,276	$ 23,284	$ 55,154	$ 45,340
Transportation equipment	1,610	809	3,272	1,712
Machinery and equipment	663	-	1,253	-
	$ 30,549	$ 24,093	$ 59,679	$ 47,052
Sublease incomes from right-of-use assets (rental incomes)	($ 2,633)	($ 2,463)	($ 5,195)	($ 4,904)

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 for the six months ended June 30, 2024 and 2023.

(II) Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amount of lease liabilities			
Current	$ 83,388	$ 87,535	$ 111,390
Non-current	$ 203,706	$ 49,622	$ 88,493

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

	June 30, 2024	December 31, 2023	June 30, 2023
Lease liabilities	0.25% - 10.00%	0.25% - 6.50%	0.25%~4.75%

(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

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Short-term lease expenses	$ 754	$ 306	$ 1,344	$ 534
Low-value asset lease expenses	$ 697	$ 6,689	$ 1,665	$ 9,570
Total cash (outflow) for leases			($ 76,378)	($ 54,606)

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 June 30, 2024	January 1 to June 30, 2023
Cost		
Balance at the beginning of the period	$ 1,261,280	$ 1,058,071
Acquisition through business combination (Note 25)	-	192,465
Net exchange difference	62,918	18,973
Balance at the end of the period	$ 1,324,198	$ 1,269,509

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

	June 30, 2024	December 31, 2023	June 30, 2023
Printer business - Printronix	$ 909,282	$ 860,385	$ 872,574
Label business - DLS	208,738	197,513	200,312
Label business - MGN	206,178	203,382	196,623
	$ 1,324,198	$ 1,261,280	$ 1,269,509

The Group acquired 100% ownership of MGN on June 12, 2023. The acquisition resulted in goodwill of PLN 25,577 thousand (equivalent to NT$192,465 thousand based on the exchange rate at the date of acquisition), which mainly came from the expected growth of MGN's products in the market and its competitive advantages, thereby leading to the growth of operating revenues and the expansion of the Group's business scope.

The Group obtained the valuation report in Q2 2024 and has adjusted the original accounting and provisional amounts from the acquisition date and restated the comparative information based on this purchase price allocation report.

The increase (decrease) in retrospective adjustments of relevant accounts in the Balance Sheets is as follows:

	December 31, 2023	June 30, 2023	Acquisition date
Assets			
Accounts receivable	$ 3	($ 2,845)	($ 2,784)
Other receivables	261	2,675	2,619
Inventory	-	(293)	(287)
Prepayments	(3,814)	(780)	(764)
Property, plant and equipment	(15,627)	52,620	51,200
Right-of-use assets	-	25,488	25,344
Intangible assets	(56,818)	221,995	217,250
Goodwill	70,203	(101,530)	(99,383)
Deferred income tax assets	-	1,599	1,565
Other non-current assets	3,552	14,873	14,558

(Continued on next page)

(Continued from previous page)

	December 31, 2023	June 30, 2023	Acquisition date
Liabilities			
Accounts payable	$ 3	$ 15,436	($ 15,109)
Other payables	(1,736)	137,933	(135,015)
Income tax liability during the period	-	431	(422)
Lease liabilities - current	-	6,166	(6,036)
Other current liabilities	(26)	1,919	(1,877)
Deferred income tax liabilities	(481)	53,896	(52,756)
Lease liabilities - non-current	-	12,512	(12,248)
Other non-current liabilities	-	(14,451)	14,145
Equity			
Retained earnings	-	(37)	-
Other equity	-	(3)	-

The increase (decrease) in retrospective adjustments of relevant accounts in the Comprehensive Income Statement is as follows:

	April 1 to June 30, 2023	January 1 to June 30, 2023
Depreciation expense	$ 84	$ 84
Amortization expenses	($ 47)	($ 47)
Exchange differences on translation of financial statements of foreign operations	($ 3)	($ 3)

XV. Other Intangible Assets

	June 30, 2024	December 31, 2023	June 30, 2023
Knowhow & technology	$ 23,635	$ 29,425	$ 37,005
Customer Relationship (Note 25)	326,057	325,156	333,431
Patent rights	-	-	3,163
Software cost	57,651	64,146	30,491
	$ 407,343	$ 418,727	$ 404,090

The Group acquired 100% of the ownership of MGN on June 12, 2023 and recognized a customer relationship of PLN 28,900 thousand (equivalent to NT$217,471 thousand based on the exchange rate at the date of acquisition).

Except for the above paragraph and the amortization expense recognized, the Group did not have any material addition, disposal or impairment of other intangible assets for the six months ended June 30, 2024 and 2023, respectively.

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

Licensed technology	5-10 years
Customer relations	7-20 years
Patent rights	8 years
Software cost	1-10 years

XVI. Other Assets

	June 30, 2024	December 31, 2023	June 30, 2023
Prepayment of equipment amount	$ 73,439	$ 40,498	$ 85,020
Other financial asset (I)	46,175	44,660	44,404
Refundable deposits	11,778	11,446	11,528
Current tax assets	8,187	12,599	7,203
Others	2,997	5,137	1,489
	$ 142,576	$ 114,340	$ 149,644
Current	$ 56,724	$ 13,478	$ 7,630
Non-current	$ 85,852	$ 100,862	$ 142,014

(I) The Group deposited EUR1,292 thousand into a third-party escrow account on the settlement date for the acquisition of MGN as the final payment of PLN5,800 thousand (equivalent to NT$43,645 thousand based on the exchange rate on the date of acquisition) to ensure the transaction safety for both parties. The escrow period is 18 months from the settlement date. If both parties have fulfilled their obligations under the acquisition agreement and no contingent liabilities or tax risks have been found in MGN during this period that would cause the Group to incur additional losses, the entire amount in the escrow account will be transferred to the seller at the end of the escrow period.

XVII. Loans

(I) Short-term loans

	June 30, 2024	December 31, 2023	June 30, 2023
Secured borrowings (2)	$ 10,509	$ -	$ -
Unsecured loans	679,208	671,395	613,190
	$ 689,717	$ 671,395	$ 613,190

Interest Rate Interval for Secured Borrowings (%)	7.54%	-	-
Interest Rate Interval for Unsecured Loans (%)	4.41%～6.16%	4.71%～7.51%	4.30%～8.56%

(II) Long-term loans

	June 30, 2024	December 31, 2023	June 30, 2023
Secured borrowings (2)	$ 15,423	$ 20,029	$ 26,037
Unsecured borrowings (1)	440,000	600,000	777,000
Less: portion due within one year	(8,443)	(8,875)	(37,220)
	$ 446,980	$ 611,154	$ 765,817
Interest Rate Interval for Secured Borrowings (%)	4.17%～4.18%	5.43%～8.80%	4.39%～9.86%
Interest Rate Interval for Unsecured Loans (%)	1.77%～2.14%	1.65%～2.00%	1.52%～2.00%
Final maturity	December 15, 2027	December 15, 2027	December 15, 2027

(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:

A. The debt ratio must not exceed 150%.

B. (Cash and cash equivalents + annualized EBITDA)/(short-term borrowings + medium- and long-term borrowings due within one year) must not be less than 1.

As of the date of approval and publication of the Consolidated Financial Statements, the Group had not violated the financial ratio commitment for the long-term loans mentioned above.

(2) Please see Note 29 for the amount of assets pledged as collaterals for the loans.

XVIII. Other Payables

	June 30, 2024	December 31, 2023	June 30, 2023
Current			
Dividends payable	$ 612,854	$ -	$ 552,785
Salaries and bonuses payable	140,029	184,943	134,342
Employees' remuneration payable	87,842	61,968	100,861
Final payment of purchase price payable (Note 25)	46,754	46,120	44,588
Directors' remuneration payable	43,921	30,984	50,431
Service fees payable	26,753	35,393	10,086
Taxes payable	26,163	29,770	44,535

(Continued on next page)

(Continued from previous page)

	June 30, 2024	December 31, 2023	June 30, 2023
Insurance premiums payable	$ 14,718	$ 17,302	$ 14,352
R&D expenses payable	12,187	11,588	5,389
Equipment amount payable	3,102	5,150	4,417
Others (Note 28)	50,109	70,980	65,981
	$ 1,064,432	$ 494,198	$ 1,027,767

XIX. Equity

(I) Ordinary share capital

	June 30, 2024	December 31, 2023	June 30, 2023
Authorized shares (thousand shares)	80,000	80,000	80,000
Authorized share capital	$ 800,000	$ 800,000	$ 800,000
Issued shares (thousand shares)	47,150	47,141	42,612
Issued share capital	$ 471,501	$ 471,406	$ 426,119

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 June 30, 2024, December 31, 2023, and June 30, 2023, the Company had 7.5 thousand, 33.5 thousand and 90 thousand issued share capital, respectively, that had not yet been filed with the New Taipei City Government for change registration.

(II) Capital surplus

	June 30, 2024	December 31, 2023	June 30, 2023
May be used to offset losses, issue cash or appropriate to share capital (1)			
Premium of share issuance	$ 473,786	$ 472,571	$ 437,026
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	123,244
Exercised employee stock options	51,957	39,415	26,660
May not be used for any purposes (2)			
Employee stock options	35,268	38,797	43,269
	$ 686,239	$ 676,011	$ 632,183

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 (6) 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 regular shareholders' meetings on June 18, 2024 and June 16, 2023 and resolved the following earning distributions for 2023 and 2022, respectively:

	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		

(IV) Other equity

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

	January 1 to June 30, 2024	January 1 to June 30, 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	175,705	35,656
Relevant income taxes	(35,141)	(7,132)
Balance at the end of the period	$ 56,677	($ 73,723)

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

	January 1 to June 30, 2024	January 1 to June 30, 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	(238,266)	338,920
Balance at the end of the period	$ 609,890	$ 931,036

XX. Revenue

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Revenue from contracts with customers				
Barcode printers	$ 1,114,272	$ 1,265,027	$ 2,036,562	$ 2,203,379
Labels and printer consumables	837,734	801,741	1,649,798	1,587,511
Barcode printer components and others	116,977	127,873	258,109	311,800
	$ 2,068,983	$ 2,194,641	$ 3,944,469	$ 4,102,690

(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 June 30, 2024 and December 31, 2023 and June 30, 2023, the consolidated company estimated the refund liabilities at 92,938 thousand, 61,148 thousand and 100,376 thousand, respectively.

(II) Breakdown of revenue from contracts with customers

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Main markets				
Taiwan and other parts of Asia	$ 247,218	$ 316,211	$ 545,264	$ 620,037
China	321,869	404,688	513,609	609,053
America	933,548	1,046,397	1,831,159	2,074,947
Europe	566,348	427,345	1,054,437	798,653
	$ 2,068,983	$ 2,194,641	$ 3,944,469	$ 4,102,690

XXI. Additional information about net income during the period

Net income during the period includes the following:

(I) Other Incomes

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Dividend income	$ 31,920	$ 59,200	$ 31,920	$ 59,200
Rental incomes (Note	2,633	2,463	5,195	4,904

13)				
Others	3,770	889	7,026	4,379
	$ 38,323	$ 62,552	$ 44,141	$ 68,483

(II) Other Gains and Losses

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Net exchange gain	$ 14,189	$ 19,796	$ 42,990	$ 23,625
Loss from financial instruments measured at fair value through profit or loss	(2,582)	(7,073)	(6,682)	(8,993)
Gain (loss) on disposal of equipment	(21)	684	(449)	812
Gain on lease amendment	-	16	-	16
Other losses	(997)	(746)	(1,832)	(1,419)
	$ 10,589	$ 12,677	$ 34,027	$ 14,041

(III) Financial Costs

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Bank loan interests	$ 12,118	$ 11,983	$ 23,875	$ 22,017
Lease liability interests	4,692	1,694	8,161	3,497
	$ 16,810	$ 13,677	$ 32,036	$ 25,514

(IV) Depreciation and Amortization

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Property, plant and equipment	$ 33,222	$ 29,379	$ 65,680	$ 56,491
Right-of-use assets	30,549	24,093	59,679	47,052
Intangible assets	16,300	15,758	28,870	33,088
	$ 80,071	$ 69,230	$ 154,229	$ 136,631
Deprecation by function				
Operating costs	$ 49,788	$ 39,179	$ 97,145	$ 74,848
Operating expenses	13,983	14,293	28,214	28,695
	$ 63,771	$ 53,472	$ 125,359	$ 103,543
Amortization by function				
Operating costs	$ 123	$ 240	$ 550	$ 480
Operating expenses	16,177	15,518	28,320	32,608
	$ 16,300	$ 15,758	$ 28,870	$ 33,088

(V) Employee Benefit Expenses

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Other employee benefits	$ 444,821	$ 385,945	$ 868,930	$ 758,599
Retirement benefits				
Defined contributions	12,568	12,206	24,977	23,763
Defined benefits	68	74	136	149

Share-based payment (Note 24)				
Equity settled	4,511	1,205	9,013	2,397
Total employee benefit expenses	$ 461,968	$ 399,430	$ 903,056	$ 784,908
Summary by function				
Operating costs	$ 184,283	$ 159,479	$ 365,736	$ 320,024
Operating expenses	277,685	239,951	537,320	464,884
	$ 461,968	$ 399,430	$ 903,056	$ 784,908

(VI) Remuneration to Employees and Directors

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 remuneration to employees and directors from April 1 to June 30, 2024 and 2023 and from January 1 to June 30, 2024 and 2023 are as follows:

Estimated and recognized percentage

	January 1 to June 30, 2024	January 1 to June 30, 2023
Employees' remuneration	5.0%	5.0%
Directors' remuneration	2.5%	2.5%

Amount

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Employees' remuneration	$ 15,150	$ 21,590	$ 25,874	$ 35,403
Directors' remuneration	$ 7,575	$ 10,796	$ 12,937	$ 17,702

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.

XXII. Income taxes

(I) Income tax recognized in profit and loss

The primary components of income tax expenses are as follows:

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Income tax during the period				
Incurred during the period	$ 46,203	$ 91,910	$ 88,235	$ 162,889
Tax on undistributed earnings	10,985	13,873	10,985	13,873
Adjustment for the previous year	(124)	2	(1,641)	715
	57,064	105,785	97,579	177,477
Deferred income tax				
Incurred during the period	14,988	15,236	31,847	17,453
Income tax expenses recognized in profit and loss	$ 72,052	$ 121,021	$ 129,426	$ 194,930

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

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Basic earnings per share	$ 4.85	$ 7.01	$ 8.24	$ 11.38
Diluted earnings per share	$ 4.81	$ 6.94	$ 8.16	$ 11.24

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

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Net income attributable to the shareholders of the Company	$ 228,477	$ 327,802	$ 388,257	$ 532,131
Net income used for the calculation of earnings per share	$ 228,477	$ 327,802	$ 388,257	$ 532,131

Number of shares

Unit: Thousand shares

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Weighted average number of ordinary shares used for the calculation of earnings per share	47,150	46,786	47,146	46,779
Effects of dilutive potential ordinary shares:				
Employee stock options	194	331	201	317
Employees' remuneration	112	142	215	261
Average weighted number of ordinary shares used for the calculation of dilutive earnings per share	47,456	47,259	47,562	47,357

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

On June 16, 2023, the Board of Directors approved the 2023 Regulations for the Issuance and Subscription of Employee Stock Warrants, under which the total number of units to be issued is 1,000 units; each unit of the warrants is entitled to subscribe for

1,000 shares of common stock of the Company. Therefore, the additional shares of common stock estimated to be issued as a result of the exercise of these warrants will be 1,000,000 shares.

The consolidated company did not issue any new employee stock options for the six months ended June 30, 2024 and 2023. Information on the employee stock options issued is as follows:

	January 1 to June 30, 2024		January 1 to June 30, 2023	
Employee stock options	Unit	Weighted average exercise price (NT$)	Unit	Weighted average exercise price (NT$)
Outstanding at the beginning of the period	1,366.0	202.91	895.5	171.82
Exercised during the period	(9.5)	137.94	(93.0)	159.9
Given up due to departure	(40.0)	241.0	(15.0)	159.9
Outstanding at the end of the period	1,316.5	190.73	787.5	138.97
Exercisable at the end of the period	494.8		326.3	
Weighted average time to maturity (years)	1.0~4.12 years		2.01~2.77 years	

The compensation costs recognized from April 1 to June 30, 2024 and 2023 and from January 1 to June 30, 2024 and 2023 were $4,511 thousand, $1,205 thousand, $9,013 thousand and $2,397 thousand, respectively.

XXV. Business combinations

(I) Acquisition of subsidiaries

	Principal activities	Acquisition date	Proportion of voting equity interests acquired (%)	Consideration transferred
MGN	Printer consumables and customized design, integration, production and marketable of a variety of labels	June 12, 2023	100	$ 476,560

For the purpose of enhancing brand competitiveness and expanding the Europe labelling paper market, the consolidated company has acquired 100% of the shares of MGN sp. z o.o. on June 12, 2023. The initial acquisition consideration was PLN 63,331 thousand (equivalent to NT$476,560 thousand). There may be some changes made to the total transaction price depending on the contingent consideration and other contracts relating to the profit conditions of MGN in the coming three years after the settlement.

(II) Consideration transferred

	MGN
Cash	$ 362,703
Payable - final payment for acquisition (Note 1)	43,645
Contingent consideration agreement (Note 2)	70,212
Total	$ 476,560

1. According to the acquisition agreement, the consolidated company deposited EUR 1,292 thousand to the third-party escrow account for PLN 5,800 thousand (equivalent to NTD 43,645 thousand) as the balance payment on the settlement date. The custody period is 18 months from the settlement date. If the consolidated company has not suffered additional losses due to assuming the liabilities not yet entered into accounts of MGN, the balance will be paid in full to the seller.
2. For the contingent consideration agreement based on the acquisition contract, for the three years starting from the date of acquisition, if the operating income and gross profit reach the set performance targets for MGN, the consolidated company will just need to pay an additional PLN 14,000 thousand to the seller. The management believes that this payment obligation is very likely to occur. The fair value of this obligation at the date of acquisition is estimated at PLN 9,331 thousand (equivalent to NT$70,212 thousand).

(III) Assets acquired and liabilities assumed on acquisition date

	MGN
Current assets	
Cash	$ 4,213
Accounts receivable	79,895
Other receivables	2,645
Inventory	58,699
Prepaid expenses	2,649
Non-current assets	
Property, plant and equipment	125,168
Right-of-use assets	25,344
Intangible assets	1,365
Customer relations	217,471
Deferred income tax assets	1,565
Other non-current assets	14,723

(Continued on next page)

(Continued from previous page)

	MGN
Current liabilities	
Accounts payable	($ 94,324)
Short-term loans	(8,789)
Other payables	(28,876)
Income tax liability during the period	(422)
Lease liabilities	(6,036)
Long-term loans maturing within one year	(7,335)
Other current liabilities	(13,422)
Non-current liabilities	
Long-term loans	(19,094)
Deferred income tax liabilities	(52,756)
Lease liabilities	(12,248)
Other non-current liabilities	(6,340)
	$ 284,095

(IV) Goodwill derived from acquisition

	MGN
Consideration transferred	$ 476,560
Less: fair value of net identifiable assets acquired	(284,095)
Goodwill derived from acquisition	$ 192,465

Goodwill from the acquisition of MGN mainly represents control premium. Furthermore, the amount of consideration paid for the acquisition includes the Company's expectations with respect to synergy, revenue growth and future market development, and the employee value of the MGN company.

For goodwill arising from the merger, it is expected that it cannot be used a tax deductible item.

(V) Net cash outflow for acquisition of subsidiaries

	MGN
Consideration paid in cash	$ 362,703
Less: cash balance acquired	(4,213)
	$ 358,490

XXVI. 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:

	June 30, 2024	December 31, 2023	June 30, 2023
Total liabilities	$ 4,187,620	$ 3,493,832	$ 4,371,135
Total equity	$ 5,149,295	$ 5,461,271	$ 5,114,783
Total assets	$ 9,336,915	$ 8,955,103	$ 9,485,918
Liability ratio	44.85%	39.01%	46.08%

XXVII. 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

June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive incomes				
Marketable securities listed on TPEx				
-Equity investment	$ 1,209,768	$ -	$ -	$ 1,209,768
Financial liabilities measured at fair value through profit or loss				
Derivatives	$ -	$ 369	$ -	$ 369
Contingent consideration of business combinations	-	-	75,215	75,215
	$ -	$ 369	$ 75,215	$ 75,584

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
Financial liabilities measured at fair value through profit or loss				
Contingent consideration of business combinations	$ -	$ -	$ 74,195	$ 74,195

June 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive incomes				
Marketable securities listed on TPEx				
-Equity investment	$ 1,437,080	$ -	$ -	$ 1,437,080
Financial liabilities measured at fair value through profit or loss				
Derivatives	$ -	$ 5,675	$ -	$ 5,675
Contingent consideration of business combinations	-	-	71,729	71,729
	$ -	$ 5,675	$ 71,729	$ 77,404

There were no transfers between Level 1 and Level 2 fair value measurements for the six months en ded June 30, 2024 and 2023.

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

Types of financial instruments	Valuation techniques and input values
Derivatives-Foreign Exchange Forward Contract	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. No gain or loss related to this contingent consideration was recognized in the consolidated comprehensive income statement from January 1 to June 30, 2024 and from June 12, 2023 (the date of acquisition) to June 30, 2023.

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

	June 30, 2024	December 31, 2023	June 30, 2023
Financial Assets			
Measured at fair value through profit or loss			
Designated at fair value through profit or loss	$ -	$ 4,543	$ -
Measured at amortized cost (Note 1)	2,590,988	2,448,045	2,748,453
Financial assets measured at fair value through other comprehensive incomes - equity instrument investments	1,209,768	1,354,200	1,437,080
Financial Liabilities			
Measured at fair value through profit or loss			
Held for trading	369	-	5,675
Contingent consideration of business combinations	75,215	74,195	71,729
Measured at amortized cost (Note 2)	2,089,288	2,198,967	2,351,069

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.

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 31 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 June 30, 2024	January 1 to June 30, 2023
Euro	$ 8,499 (i)	$ 12,559 (i)
United States dollars	11,383 (ii)	11,520 (ii)
Chinese Yuan	479 (iii)	3,211 (iii)
Japanese Yen	(1,570) (iv)	(1,235) (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:

	June 30, 2024	December 31, 2023	June 30, 2023
Fair value interest rate risks			
- Financial assets	$ 461,072	$ 344,660	$ 392,576
- Financial liabilities	966,302	808,346	727,268
Cash flow interest rate risks			
- Financial assets	657,980	693,493	530,361
- Financial liabilities	465,932	620,235	888,842

The consolidated company is exposed to fair value interest rate risks due to its position of fixed-rate fixed-term bank deposits, 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 interest rate had increased/decreased by 100 basis points, with all other variables held constant, the Group's income before income tax would have increased/decreased by $960 thousand and decreased/increased by $1,792 thousand for the six months ended June 30, 2024 and 2023, respectively. This increase/decrease was mainly attributable to the Group's floating-rate bank deposits and bank borrowings.

The decrease in the sensitivity on interest rate of the Group was mainly attributable to the decrease in floating interest rate of bank borrowings during the period.

(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.

Price 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$12,098 thousand and by NT$14,371 thousand from January 1 to June 30, 2024 and from January 1 to June 30, 2023, respectively, due to changes in the fair value of financial assets measured at fair value through other comprehensive incomes.

The decrease in the sensitivity on price risk of the Group was mainly attributable to the decrease in the fair value of the investees during the period.

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 40% of the consolidated company's operating incomes from January 1 to June 30, 2024 and from January 1 to June 30, 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 June 30, 2024, December 31, 2023 and June 30, 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.

June 30, 2024

	Within 1 year	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 1,557,002	$ -	$ -	$ -
Lease liabilities	99,942	74,354	144,164	17,121
Floating interest rate instruments	27,082	448,297	2,765	-
Fixed interest rate instruments	683,163	-	-	-
	$ 2,367,189	$ 522,651	$ 146,929	$ 17,121

December 31, 2023

	Within 1 year	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 907,543	$ -	$ -	$ -
Lease liabilities	91,837	41,459	9,287	-
Floating interest rate instruments	19,919	315,889	303,614	-
Fixed interest rate instruments	676,420	-	-	-
	$ 1,695,719	$ 357,348	$ 312,901	$ -

June 30, 2023

	Within 1 year	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 1,487,627	$ -	$ -	$ -
Lease liabilities	118,631	69,090	20,003	-
Floating interest rate instruments	123,673	73,366	692,451	-
Fixed interest rate instruments	528,726	-	-	-
	$ 2,258,657	$ 142,456	$ 712,454	$ -

(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.

June 30, 2024

	Within 1 year	1-2 years	2-5 years	Over 5 years
Gross settlements				
Currency forwards				
-Inflow	$ 64,497	$ -	$ -	$ -
-Outflow	(64,900)	-	-	-
	($ 403)	$ -	$ -	$ -

June 30, 2023

	Within 1 year	1-2 years	2-5 years	Over 5 years
Gross settlements				
Currency forwards				
-Inflow	$ 289,606	$ -	$ -	$ -
-Outflow	(296,280)	-	-	-
	($ 6,674)	$ -	$ -	$ -

(3) Credit facilities

	June 30, 2024	December 31, 2023	June 30, 2023
Secured credit facilities with banks (reviewed annually)			
- Utilized amount	$ 25,932	$ 20,029	$ -
- Available amount	100,504	85,974	-
	$ 126,436	$ 106,003	$ -
Unsecured credit facilities with banks (reviewed annually)			
- Utilized amount	$ 1,119,208	$ 1,271,395	$ 1,390,190
- Available amount	2,967,542	2,665,811	2,146,289
	$ 4,086,750	$ 3,937,206	$ 3,536,479

XXVIII. Related party transactions

The Company's ultimate controller is Taiwan Semiconductor Co., Ltd., which owned 36.04%, 36.05% and 36.27% of the Company's ordinary shares as of June 30, 2024, December 31, 2023 and June 30, 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	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Revenues	Parent company	$ -	$ 16	$ 8	$ 16
	Affiliated company	17	3	26	7
		$ 17	$ 19	$ 34	$ 23

(III) Purchase

Affiliated party category	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Parent company	$ 91	$ 203	$ 94	$ 359

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	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivable – affiliated parties	Parent company	$ -	$ 8	$ -
	Affiliated company	19	-	21
		$ 19	$ 8	$ 21
Other receivables – affiliated parties	Affiliated company	$ 1,666	$ 1,765	$ 1,712

No guarantee was obtained for the outstanding receivables from affiliated parties. No allowance for losses has been provided for the accounts receivable from related parties for the six months ended June 30, 2024 and 2023.

(V) Payables to affiliated parties

Itemized account	Affiliated party category	June 30, 2024	December 31, 2023	June 30, 2023
Accounts payable – affiliated parties	Parent company	$ 98	$ 72	$ 242
Other payables – affiliated parties	Affiliated company	$ 1,606	$ 1,519	$ 1,541

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

(VI) Other related party transactions

Itemized account	Affiliated party category	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Lease income	Affiliated company	$ 546	$ 524	$ 1,082	$ 1,036

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

	April 1 to June 30, 2024	April 1 to June 30, 2023	January 1 to June 30, 2024	January 1 to June 30, 2023
Shor-term employee benefits	$ 24,844	$ 34,113	$ 51,367	$ 57,870
Retirement benefits	176	364	410	418
Shares-based payment	1,382	433	2,708	861
	$ 26,402	$ 34,910	$ 54,485	$ 59,149

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

XXIX. Pledged Assets

The below properties are provided as collaterals for the credit borrowings:

	June 30, 2024	December 31, 2023	June 30, 2023
Land	$ 5,191	$ 5,121	$ 4,951
Buildings and structures - Net	52,777	26,503	26,010
Machinery and equipment - net	26,370	27,016	-
	$ 84,338	$ 58,640	$ 30,961

XXX. Material or Contingent Liabilities and Unrecognized Contractual Commitments

In order to increase the Group's market share and enhance its brand competitiveness, the Board of Directors of the Company resolved on August 1, 2024 to acquire Bluebird Inc. (“Bluebird”), a company in South Korea, and to gain control by acquiring 96.51% of the shareholding from Bluebird's major corporate and individual shareholders. The consideration for the share acquisition was KRW 118,703,431 thousand (equivalent to approximately NTD 2,822,886 thousand). The Board of Directors also resolved to authorize the Company to further acquire a total of 3.49% of the remaining shares of Bluebird at a price not exceeding KRW 17,520 per share; however, the final shareholding ratio to be acquired will be subject to the disposal intention of the remaining shareholders.

The above purchase consideration will be funded by the Company's own funds and syndicated bank loans. The Board of Directors of the Company has resolved to apply for a syndicated loan of NT$2 billion from a group of banks organized by Taishin International Commercial Bank. The Company plans to provide the acquired shares of Bluebird as a collateral for the loan.

The closing of this acquisition is subject to the fulfillment of several conditions and therefore the disclosure of information related to the acquisition in accordance with IFRS 3 is not yet available.

XXXI. 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)

June 30, 2024

	Foreign currency	Exchange rate	Carrying amount
Assets denominated in foreign currencies			
Monetary items			
United States dollars	$ 22,421	32.450 (USD: NTD)	$ 727,561
Euro	19,896	34.710 (EUR: NTD)	690,590
Chinese Yuan	47,662	4.445 (CNY: NTD)	211,858
			$ 1,630,009
Liabilities			

denominated in foreign currencies			
Monetary items			
United States dollars	10,728	32.450 (USD: NTD)	$ 348,124
Euro	11,734	34.710 (EUR: NTD)	407,287
Chinese Yuan	44,071	4.445 (CNY: NTD)	195,896
Japanese Yen	259,537	0.2017 (JPY: NTD)	52,349
			$ 1,003,656

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	33.980 (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	33.980 (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

June 30, 2023

	Foreign currency	Exchange rate	Carrying amount
Assets denominated in foreign currencies			
Monetary items			
United States dollars	$ 23,142	31.140 (USD: NTD)	$ 720,642
Euro	20,407	33.810 (EUR: NTD)	689,961
Chinese Yuan	53,923	4.282 (CNY: NTD)	230,898
			$ 1,641,501

Liabilities denominated in foreign currencies			
Monetary items			
United States dollars	10,811	31.140 (USD: NTD)	$ 336,655
Euro	8,025	33.810 (EUR: NTD)	271,325
Chinese Yuan	28,924	4.282 (CNY: NTD)	123,853
Japanese Yen	191,494	0.2150 (JPY: NTD)	41,171
			$ 773,004

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

	April 1 to June 30, 2024		April 1 to June 30, 2023	
Foreign currency	Exchange rate	Net exchange gain (loss)	Exchange rate	Net exchange gain (loss)
United States dollars	32.450 (USD: NTD)	$ 5,414	31.140 (USD: NTD)	$ 13,896
Euro	34.710 (EUR: NTD)	6,337	33.810 (EUR: NTD)	(5,255)
Chinese Yuan	4.445 (CNY: NTD)	1,965	4.282 (CNY: NTD)	(2,954)
Japanese Yen	0.2017 (JPY: NTD)	1,047	0.2150 (JPY: NTD)	1,047
		$ 14,763		$ 6,734

	January 1 to June 30, 2024		January 1 to June 30, 2023	
Foreign currency	Exchange rate	Net exchange gain (loss)	Exchange rate	Net exchange gain (loss)
United States dollars	32.450 (USD: NTD)	$ 11,522	31.140 (USD: NTD)	$ 7,774
Euro	34.710 (EUR: NTD)	11,159	33.810 (EUR: NTD)	17,896
Chinese Yuan	4.445 (CNY: NTD)	3,088	4.282 (CNY: NTD)	(1,157)
Japanese Yen	0.2017 (JPY: NTD)	2,225	0.2150 (JPY: NTD)	2,241
		$ 27,994		$ 26,754

XXXII. 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.

XXXIII. Segment information

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.

Segment Revenues and Operating Results

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

	January 1 to June 30, 2024			
	Segment A	Segment B	Intersegment adjustment	Total
Revenue				
Revenue from external customers	$ 2,294,671	$ 1,649,798	$ -	$ 3,944,469
Intersegment revenue	1,180	5,703	(6,883)	-
Total revenue	$ 2,295,851	$ 1,655,501	(6,883)	$ 3,944,469
Segment profit (loss)	$ 497,196	$ 45,426	($ 24,939)	$ 517,683

	January 1 to June 30, 2023			
	Segment A	Segment B	Intersegment adjustment	Total
Revenue				
Revenue from external customers	$ 2,515,179	$ 1,587,511	$ -	$ 4,102,690
Intersegment revenue	905	65	(970)	-
Total revenue	$ 2,516,084	$ 1,587,576	($ 970)	$ 4,102,690
Segment profit (loss)	$ 776,028	$ 106,682	($ 155,649)	$ 727,061

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 June 30, 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	$ 173,550 (EUR 5,000 thousand)	$ -	$ -	-	The need for short-term financing	$ -	Operating capital	$ -	None	$ -	$ 1,029,859	$ 2,059,718
0	TSC Auto ID Technology Co., Ltd.	TSC Auto ID Technology EMEA GmbH	Other receivables – affiliated parties	Yes	34,710 (EUR 1,000 thousand)	34,710 (EUR 1,000 thousand)	-	5%	The need for short-term financing	-	Operating capital	-	None	-	1,029,859	2,059,718
0	TSC Auto ID Technology Co., Ltd.	MGN sp. z o. o.	Other receivables – affiliated parties	Yes	173,550 (EUR 5,000 thousand)	173,550 (EUR 5,000 thousand)	90,767 (EUR 2,615 thousand)	5%	The need for short-term financing	-	Operating capital	-	None	-	1,029,859	2,059,718

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$34.71 on June 30, 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 June 30, 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 (Note 4, 6, 8)	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)	$ 2,059,718	$ 194,700 (USD 6,000 thousand)	$ 194,700 (USD 6,000 thousand)	$	$	3.78%	$ 3,089,	Y	N	N	
0	TSC Auto ID Technology Co., Ltd.	TSC Auto ID Technology EMEA GmbH	(2)	2,059,718	16,225 (USD 500 thousand)	-			-		-	-	-	

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 Dollars at the exchange rate of USD1=NTD34.71 on June 30, 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.

Note 8: The Company has resolved to discharge the entire endorsement and guarantee amount to its subsidiary TSC Auto ID Technology EMEA GmbH at the Board of Directors' meeting held on June 18, 2024.

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

Position of marketable securities at the end of the period

June 30, 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	$ 1,209,768	6.06%	$ 1,209,768	

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 June 30, 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	($ 334,853)	(22%)	135 days based on monthly statements	-	-	$ 595,579	41%	
The Company	Tianjin TSC Auto ID Technology	Sub-subsidiary	Sale of goods	(362,469)	(23%)	60 days based on monthly statements	-	-	144,194	10%	
The Company	Tianjin TSC Auto ID Technology	Sub-subsidiary	Purchase	422,374	45%	60 days based on monthly statements	-	-	(195,897)	(36%)	
The Company	TSCAA	Subsidiary	Sale of goods	(267,694)	(17%)	120 days based on monthly statements	-	-	419,359	29%	

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

June 30, 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	$ 595,579	1.13	$ -	-	$ 25,095	$ -
			Other receivables	1,677				40	-
The Company	TSCAA	Subsidiary	Accounts receivable	419,359	1.26	-	-	50,317	-
			Other receivables	1,048		-	-	-	-
The Company	Tianjin TSC Auto ID Technology	Sub-subsidiary	Accounts receivable	144,194	5.81	-	-	70,840	-
Tianjin TSC Auto ID Technology	The Company	Parent company	Accounts receivable	195,897	4.62	-	-	76,755	-

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

Note 2: Recovered amount as of August 9, 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 June 30, 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	$ 419,359	Note 3	4%
			1	Revenues	267,694	Note 3	7%
			1	R&D expenses	45,379	Note 3	1%
		TSCAE	1	Accounts receivable	595,579	Note 3	6%
			1	Revenues	334,853	Note 3	8%
		Tianjin TSC Auto ID Technology	1	Accounts receivable	144,194	Note 3	2%
			1	Revenues	362,469	Note 3	9%
			1	Accounts payable	195,897	Note 3	2%
			1	Purchase	422,374	Note 3	11%
		MGN	1	Other receivables	91,405	At an arm’s length	1%

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 June 30, 2024

Table 7

Unit: NT$ thousand unless otherwise indicated

Name of the investment company	Name of the investee	Location	Primary business	Original invested amount		Held at end of period			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 3)			
The Company	TSCAE	Germany	Sale of barcode printers and relevant components	$ 2,943	$ 2,943	Note 1	100.00	($ 64,452)	($ 43,280)	($ 43,280)	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	1,082,822	(9,868)	(9,868)	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	767,574	46,319	46,319	Subsidiary
The Company	Printronix Auto ID Technology	Taiwan	Sale of barcode printers and relevant components	5,000	5,000	500	100.00	4,698	(98)	(98)	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	1,467,082	36,431	36,431	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	578	(662)	(662)	Subsidiary
The Company	TSCPL	Poland	General investment	498,827 (PLN 67,084 thousand)	498,827 (PLN 67,084 thousand)	Note 2	100.00	508,579	(3,903)	(3,903)	Subsidiary
TSCAE	TSCAD	United Arab Emirates	Sale of barcode printers and relevant components	8,234	8,234	Note 1	100.00	(17,316)	(2,749)	(2,749)	Sub-subsidiary
TSCAE	TSCAS	Spain	Sale of barcode printers and relevant components	124	124	Note 1	100.00	3,231	167	167	Sub-subsidiary
DLS	PPL	United States	Selling of a variety of labels and printer consumables	US$115 thousand	US$115 thousand	850	100.00	45,392 (US$1,399 thousand)	4,408 (US$139 thousand)	4,408 (US$139 thousand)	Sub-subsidiary
TSCPL	MGN	Poland	Printer consumables and customized design, integration, production and marketable of a variety of labels	PLN 70,747 thousand	PLN 71,834 thousand	2	100.00	565,938 (PLN 70,206 thousand)	(2,233) (PLN 280 thousand)	(4,309) (PLN 541 thousand)	Sub-subsidiary

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

Note 2: Not listed if the holding is below 1,000 shares.

Note 3: Carrying amount net of unrealized gains from sales.

Note 4: 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 June 30, 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	$ 46,673 (CNY 10,500 thousand)	(2) Investor: TSC Auto ID (H.K.) LTD	$ 48,675 (US$1,500 thousand)	$ -	$ -	$ 48,675 (US$1,500 thousand)	$ 55,982	100%	$ 55,982 (Note 3)	$ 806,231	$ 886,152	

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)
$48,675 (US$1,500 thousand)	$48,675 (US$1,500 thousand)	$3,089,577

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 were expressed in New Taiwan Dollars at the exchange rate of USD1=NTD32.45 or RMB1=NTD4.445 as of June 30, 2024, respectively.

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 June 30, 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	($ 362,469)	Note 1	60 days based on monthly statements	Equivalent	$ 144,194	10%	$ 38,700 (Note 2)
		Purchase	422,374	Note 1	60 days based on monthly statements	Equivalent	(195,897)	(36%)	

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 June 30, 2024.

TSC Auto ID Technology Co., Ltd.

Information on major shareholders

June 30, 2024

Table 10

Unit: shares

Name of the major shareholder	Shares	
	No. of shares held	Shareholding percentage
Taiwan Semiconductor Co., Ltd.	16,995,230	36.04%
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.