TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Review Report

Second Quarter in 2024 and 2023

(Stock code: 4540)

<u>Notice to readers</u>

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Financial Statements and Review Report of 2nd Quarter of 2024 and 2023

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Independent Auditors' Review Report

(2024) Cai-Shen-Bao-Zi No. 24001417

To: TBI MOTION TECHNOLOGY CO., LTD.

Foreword

We have reviewed the accompanying Consolidated Statement of Financial Position of TBI MOTION TECHNOLOGY CO., LTD. and subsidiaries as of June 30, 2024 and 2023, and the related Consolidated Statement of Comprehensive Income for the periods from April 1 to June 30, 2024 and 2023 and from January 1 to June 30, 2024 and 2023, of Consolidated Statement of Changes in Equity and of Consolidated Statement of Cash Flows for the periods from January 1 to June 30, 2024 and 2023, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope

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

Conclusion

Based on our review, we have not found any instances where the aforementioned consolidated financial statements have not been prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission, resulting in a failure to appropriately present the consolidated financial position of TBI MOTION TECHNOLOGY CO., LTD. and its subsidiaries as of June 30, 2024 and 2023, their consolidated financial performance for the periods from April 1 to June 30, 2024 and 2023 and from January 1 to June 30, 2024 and 2023, as well as their consolidated cash flows for the periods from January

1 to June 30, 2024 and 2023.

PricewaterhouseCoopers Taiwan

Chih, Ping-Chun

Certified Public Accountant

Chiu, Chao-Hsien

Former Securities and Futures Commission, Ministry of Finance
Approval Letter No.: (88) Tai -Tsai - Cheng (VI) No. 16120
Financial Supervisory Commission
Approval No.: Jin-Guan-Zheng-Shen - Zi No. 1020049451

August 7, 2024

TBI MOTION TECHNOLOGY CO., LTD. And Subsidiaries
Consolidated Balance Sheet
June 30, 2024, December 31, 2023, June 30, 2023

Unit: NT$ thousand

	Assets	Notes	June 30, 2024 Amount	%	December 31, 2023 Amount	%	June 30, 2023 Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 495,620	7	$ 612,044	8	$ 743,633	9
1110	Current financial assets at fair value through profit or loss	6(2)	-	-	-	-	179	-
1136	Current financial assets at amortised cost	6(4)	-	-	-	-	1,000	-
1150	Notes receivable, net	6(5)	320,454	5	171,031	2	61,191	1
1170	Accounts receivable, net	6(5)	534,551	8	644,091	8	905,201	11
1200	Other receivables		1,694	-	319	-	81	-
130X	Inventories	6(6)	1,661,612	24	2,381,672	31	2,580,845	31
1410	Prepayments		36,264	-	46,120	1	87,491	1
1460	Non-current assets held for sale, net	6(11) and 8	230,564	3	230,564	3	-	-
1470	Other current assets		1,993	-	189	-	1,815	-
11XX	**Total current assets**		3,282,752	47	4,086,030	53	4,381,436	53
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	88,918	1	94,594	1	96,305	1
1535	Non-current financial assets at amortised cost	6(4) and 8	30,000	1	30,000	1	30,000	-
1600	Property, plant and equipment	6(7) and 8	2,697,476	38	2,770,488	36	3,039,220	37
1755	Right-of-use assets	6(8)	713,798	10	637,948	8	639,959	8
1780	Intangible assets	6(9)	26,155	-	27,813	-	27,281	-
1840	Deferred income tax assets	6(27)	170,137	3	88,831	1	61,021	1
1900	Other non-current assets	6(10)	26,401	-	25,317	-	42,283	-
15XX	**Total non-current assets**		3,752,885	53	3,674,991	47	3,936,069	47
1XXX	**Total assets**		$ 7,035,637	100	$ 7,761,021	100	$ 8,317,505	100

(continued on next page)

TBI MOTION TECHNOLOGY CO., LTD. And Subsidiaries
Consolidated Balance Sheet
June 30, 2024, December 31, 2023, June 30, 2023

Unit: NT$ thousand

	Liabilities and equity	Notes	June 30, 2024 Amount	%	December 31, 2023 Amount	%	June 30, 2023 Amount	%
	Current liabilities							
2100	Short-term borrowings	6(12) and 7	$ 330,000	5	$ 670,000	9	$ 512,390	6
2130	Current contract liabilities	6(20)	1,231	-	3,681	-	8,801	-
2150	Notes payable		15,459	-	4,078	-	1,248	-
2170	Accounts payable		130,291	2	142,395	2	514,436	6
2200	Other payables	6(13)	187,033	3	247,882	3	427,668	5
2230	Current tax liabilities	6(27)	5,280	-	51,496	1	53,947	1
2280	Current lease liabilities	6(8)	24,454	-	27,278	-	26,979	-
2320	Long-term liabilities, current portion	6(14), 7 and 8	271,607	4	236,058	3	212,795	3
2399	Other current liabilities, others		256	-	109	-	446	-
21XX	**Total current liabilities**		965,611	14	1,382,977	18	1,758,710	21
	Non-current liabilities							
2530	Bonds payable	6(15)	744,720	10	737,855	10	731,969	9
2540	Long-term borrowings	6(14), 7 and 8	1,603,770	23	1,746,565	22	1,813,814	22
2570	Deferred income tax liabilities	6(27)	8,554	-	712	-	8,083	-
2580	Non-current lease liabilities	6(8)	710,805	10	628,949	8	630,621	7
2600	Other non-current liabilities		200	-	4,526	-	4,616	-
25XX	**Total non-current liabilities**		3,068,049	43	3,118,607	40	3,189,103	38
2XXX	**Total liabilities**		4,033,660	57	4,501,584	58	4,947,813	59
	Equity							
	Share capital	6(17)						
3110	Ordinary share		951,588	14	951,588	12	946,237	11
3140	Advance receipts for share capital		-	-	-	-	5,351	-
	Capital surplus	6(18)						
3200	Capital surplus		1,724,900	24	1,724,900	22	1,724,014	21
	Retained earnings	6(19)						
3310	Legal reserve		177,140	2	177,140	2	177,140	2
3350	Unappropriated earnings		109,657	2	360,885	5	474,102	6
	Other equity interest							
3400	Other equity interest		38,692	1	44,924	1	42,848	1
31XX	**Total equity attributable to owners of parent**		3,001,977	43	3,259,437	42	3,369,692	41
3XXX	**Total equity**		3,001,977	43	3,259,437	42	3,369,692	41
	Significant contingent liabilities and unrecognized contractual commitments	9						
	Material events after the reporting period	11						
3X2X	**Total liabilities and equity**		$ 7,035,637	100	$ 7,761,021	100	$ 8,317,505	100

The attached notes to the consolidated financial statements are an integral part of this consolidated financial statement.

Chairman: Li, Ching-Kung　　Manager: Li, Jin-Sheng　　Accounting supervisor: Shen, Hsin-Kai

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Statement of Comprehensive Income
From January 1 to June 30, 2024 and 2023

Unit: NT$ thousand
(Except earnings (losses) per share in NTD)

			From April 1 to June 30, 2024		From April 1 to June 30, 2023		From January 1 to June 30, 2024		From January 1 to June 30, 2023	
	Item	Notes	Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue	6(20)	$ 579,193	100	$ 743,593	100	$ 1,168,934	100	$ 1,479,650	100
5000	Operating costs	6(6)(7)(8)(9)(16)(25)(26)	(574,158)	(99)	(593,929)	(80)	(1,288,787)	(110)	(1,156,767)	(78)
5900	Gross profit (loss) from operations		5,035	1	149,664	20	(119,853)	(10)	322,883	22
	Operating expenses	6(7)(8)(9)(16)(25)(26) and 12(2)								
6100	Selling expenses		(28,773)	(5)	(29,601)	(4)	(51,138)	(4)	(50,557)	(4)
6200	General and administrative expenses		(69,815)	(12)	(80,332)	(11)	(138,142)	(12)	(171,694)	(12)
6300	Research and development expenses		(15,725)	(3)	(16,726)	(2)	(39,868)	(4)	(35,593)	(2)
6450	Expected credit gains (losses)		45,387	8	20,993	3	(39,342)	(3)	32,090	2
6000	Total operating expenses		(68,926)	(12)	(105,666)	(14)	(268,490)	(23)	(225,754)	(16)
6900	Net operating income (loss)		(63,891)	(11)	43,998	6	(388,343)	(33)	97,129	6
	Non-operating income and expenses									
7100	Interest income	6(4)(21)	1,651	-	1,915	-	2,749	-	2,345	-
7010	Other income	6(22)	19,665	3	6,389	1	20,140	2	8,395	1
7020	Other gains and losses	6(2)(23)	20,880	4	(86,205)	(12)	79,986	7	(70,212)	(4)
7050	Finance costs	6(8)(12)(14)(15)(24)	(17,931)	(3)	(17,601)	(2)	(36,661)	(3)	(33,865)	(2)
7000	Total non-operating income and expenses		24,265	4	(95,502)	(13)	66,214	6	(93,337)	(5)
7900	**Profit (loss) before tax**		(39,626)	(7)	(51,504)	(7)	(322,129)	(27)	3,792	1
7950	Income tax (expense) gain	6(27)	(48,873)	(8)	20,658	3	70,901	6	5,813	-
8200	**Profit (loss)**		($ 88,499)	(15)	($ 30,846)	(4)	($ 251,228)	(21)	$ 9,605	1
	Total other comprehensive income									
	Components of other comprehensive income that will not be reclassified to profit or loss									
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	($ 5,676)	(1)	$ -	-	($ 5,676)	(1)	$ -	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(5,676)	(1)	-	-	(5,676)	(1)	-	-
	Components of other comprehensive income that will be reclassified to profit or loss									
8361	Exchange differences on translation		946	-	(6,815)	(1)	(695)	-	(5,859)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(27)	(189)	-	1,363	-	139	-	1,172	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		757	-	(5,452)	(1)	(556)	-	(4,687)	-
8300	**Total other comprehensive income**		($ 4,919)	(1)	($ 5,452)	(1)	($ 6,232)	(1)	($ 4,687)	-
8500	**Total comprehensive income**		($ 93,418)	(16)	($ 36,298)	(5)	($ 257,460)	(22)	$ 4,918	1
	Profit (loss), attributable to:									

The attached notes to the consolidated financial statements are an integral part of this consolidated financial statement.

Chairman: Li, Ching-Kung Manager: Li, Jin-Sheng Accounting supervisor: Shen, Hsin-Kai

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Statement of Comprehensive Income
From January 1 to June 30, 2024 and 2023

Unit: NT$ thousand
(Except earnings (losses) per share in NTD)

8610	Owner of the parent company		($ 88,499)	(15)	($ 30,846)	(4)	($ 251,228)	(21)	$ 9,605	1
	Comprehensive income attributable to:									
8710	Owner of the parent company		($ 93,418)	(16)	($ 36,298)	(5)	($ 257,460)	(22)	$ 4,918	1
	Basic earnings (losses) per share	6(28)								
9750	Basic earnings (losses) per share		($ 0.93)		($ 0.32)		($ 2.64)		$ 0.10	
	Diluted earnings (losses) per share	6(28)								
9850	Diluted earnings (losses) per share		($ 0.93)		($ 0.32)		($ 2.64)		$ 0.10	

The attached notes to the consolidated financial statements are an integral part of this consolidated financial statement.

Chairman: Li, Ching-Kung　　Manager: Li, Jin-Sheng　　Accounting supervisor: Shen, Hsin-Kai

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Statement of Changes in Equity
From January 1 to June 30, 2024 and 2023

Unit: NT$ thousand

		Equity attributable to owners of parent							
		Share capital			Retained earnings		Other equity interest		
	Notes	Ordinary share	Advance receipts for share capital	Capital surplus	Legal reserve	Unappropriated earnings	Exchange differences on translation	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total equity
From January 1 to June 30, 2023									
Balance as of January 1, 2023		$ 941,780	$ -	$ 1,700,331	$ 148,739	$ 634,165	$ 3,745	$ 43,790	$ 3,472,550
Profit		-	-	-	-	9,605	-	-	9,605
Other comprehensive income		-	-	-	-	-	(4,687)	-	(4,687)
Total comprehensive income		-	-	-	-	9,605	(4,687)	-	4,918
Earnings distribution and appropriation for 2022									
Legal reserve appropriated		-	-	-	28,401	(28,401)	-	-	-
Announcement of cash dividends		-	-	-	-	(141,267)	-	-	(141,267)
Convertible corporate bond conversion	6(15)(18)	4,457	5,351	23,683	-	-	-	-	33,491
Balance as of June 30, 2023		$ 946,237	$ 5,351	$ 1,724,014	$ 177,140	$ 474,102	($ 942)	$ 43,790	$ 3,369,692
From January 1 to June 30, 2024									
Balance as of January 1, 2024		$ 951,588	$ -	$ 1,724,900	$ 177,140	$ 360,885	$ 2,845	$ 42,079	$ 3,259,437
Net loss for the period		-	-	-	-	(251,228)	-	-	(251,228)
Other comprehensive income		-	-	-	-	-	(556)	(5,676)	(6,232)
Total comprehensive income		-	-	-	-	(251,228)	(556)	(5,676)	(257,460)
Balance as of June 30, 2024		$ 951,588	$ -	$ 1,724,900	$ 177,140	$ 109,657	$ 2,289	$ 36,403	$ 3,001,977

The attached notes to the consolidated financial statements are an integral part of this consolidated financial statement.

Chairman: Li, Ching-Kung　　Manager: Li, Jin-Sheng　　Accounting supervisor: Shen Hsin-Kai

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Statement of Cash Flows
From January 1 to June 30, 2024 and 2023

Unit: NT$ thousand

	Notes	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Cash flow from operating activities			
Profit (loss) before tax		($ 322,129)	$ 3,792
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(25)	129,260	136,380
Amortization expense	6(25)	14,970	11,242
Expected credit gains (losses)	6(25)	39,342	(32,090)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(23)	-	41
Interest expense	6(24)	36,661	33,865
Interest income	6(21)	(2,749)	(2,345)
Dividend income	6(3)(22)	-	(4,632)
Loss (gain) on disposal of property, plant and equipment	6(23)	(216)	(291)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(149,423)	(50,681)
Accounts receivable		68,469	(9,697)
Other receivables		(1,375)	-
Inventories		720,060	(112,629)
Prepayments		9,856	(35)
Other current assets		(1,804)	909
Other non-current assets		(17)	-
Changes in operating liabilities			
Contract liabilities		(2,450)	3,349
Notes payable		11,381	2,079
Accounts payable		(12,104)	(100,668)
Other payables		(62,675)	(86,426)
Other current liabilities		147	(1,330)
Cash inflow (outflow) generated from operations		475,204	(209,167)
Interest received		2,749	2,345
Interest paid		(29,796)	(27,033)
Dividends received		-	4,632
Income tax paid		(48,003)	(60,820)
Net cash flows from (used in) operating activities		400,154	(290,043)

(continued on next page)

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Statement of Cash Flows
From January 1 to June 30, 2024 and 2023

Unit: NT$ thousand

	Notes	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Cash flows from (used in) investing activities			
Proceeds from disposal of property, plant and equipment		$ 1,621	$ 577
Acquisition of property, plant and equipment	6(29)	(29,880)	(113,193)
Acquisition of intangible assets	6(9)	(11,658)	(11,797)
Increase in prepayments for business facilities		(5,885)	(16,446)
Decrease in refundable deposits		2,072	3,693
Net cash outflow from investing activities		(43,730)	(137,166)
Cash flows from (used in) financing activities			
Increase (decrease) in short-term loans	6(30)	(340,000)	502,390
Proceeds from long-term debt		-	45,833
Repayments of long-term debt	6(30)	(107,246)	(57,536)
Payments of lease liabilities	6(30)	(20,626)	(17,132)
Decrease in guarantee deposits received		(4,326)	-
Net cash flows from (used in) financing activities		(472,198)	473,555
Effect of exchange rate changes on cash and cash equivalents		(650)	(1,506)
Net increase (decrease) in cash and cash equivalents		(116,424)	44,840
Cash and cash equivalents at beginning of period	6(1)	612,044	698,793
Cash and cash equivalents at end of period	6(1)	$ 495,620	$ 743,633

The attached notes to the consolidated financial statements are an integral part of this consolidated financial statement.

Chairman: Li, Ching-Kung   Manager: Li, Jin-Sheng   Accounting supervisor: Shen, Hsin-Kai

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries
Notes to the consolidated financial statements
Second Quarter in 2024 and 2023

Unit: NT$ thousand
(unless otherwise specified)

I. Company history

TBI MOTION TECHNOLOGY CO., LTD. (hereinafter referred to as the "Company") was incorporated in the Republic of China. The Company and its subsidiaries' (hereinafter referred to as "the Group") main business scope is manufacturing and sales of precision transmission components for industrial automation, ball screws and linear slides. The Group's shares have been traded on the Taiwan Stock Exchange since August 15, 2018.

II. Date and procedure for approving the financial statements

This consolidated financial statement was announced after being submitted to the Board of Directors on August 7, 2024.

III. Application of new and amended standards and interpretations

(I) The impact of the adoption of the new and amended IFRSs approved and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "FSC")

The following table sets forth the standards and interpretations of new releases, amendments, and revisions of the IFRSs applicable in 2024 that were approved and promulgated by the FSC:

New/amended/revised standards and interpretations	Effective date of IASB's announcement
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 01, 2024
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 01, 2024
Amendments to IAS 1 "Non-Current Liabilities with Covenants"	January 01, 2024
Amendments to IAS 7 and IFRS 7, "Supplier Finance Arrangements"	January 01, 2024

The Group has assessed that the standards and interpretations above have no significant impact on the financial position and financial performance of the Group.

(II) The impact of not yet adopting the new and revised IFRSs recognized by the FSC

The following table summarizes the standards and interpretations for the new releases, amendments, and revisions of the IFRSs applicable in 2025 as approved by the FSC:

New/amended/revised standards and interpretations	Effective date of IASB's announcement
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Group has assessed that the standards and interpretations above have no significant impact on the financial position and financial performance of the Group.

(III) Impacts of IFRSs issued by the IASB but not yet endorsed by the FSC

The following table summarizes the standards and interpretations of new releases, amendments, and revisions to the IFRSs issued by the IASB but not yet recognized by the FSC:

New/amended/revised standards and interpretations	Effective date of IASB's announcement
Amendments to IFRS 9 and IFRS 7, “Classification of Financial Instruments and Correction of Measurement”	January 01, 2026
Amendments to IFRS 10 and IAS 28 "The Sale or Investment of Assets between Investors and Their Affiliates or Joint Ventures"	To be decided by IASB
IFRS 17 "Insurance Contracts"	January 01, 2023
Amendments to IFRS 17 “Insurance contracts”	January 01, 2023
Amendment to IFRS 17 “Initial application of IFRS 17 and IFRS 9 – comparative information”	January 01, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 01, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 01, 2027
Annual improvement of IFRS - Book 11	January 01, 2026

Except for the following, the Group has assessed that the standards and interpretations above have no significant impact on the Group's financial position and financial performance and the amount of the relevant impact will be disclosed when the assessment is completed:

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS No. 18 "Presentation and Disclosure in Financial Statements" replaces IAS No. 1 and updates the structure of the comprehensive income statement, adds the disclosure of management performance measurement and strengthens the application in the summary and principle of subdivision of the main financial statements and notes.

IV. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the consolidated financial statements are described as follows. Unless otherwise stated, these policies apply consistently throughout the reporting period.

(I) Compliance Statement

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS No. 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC.

(II) Basis of preparation

1. Except for the following material items, this consolidated financial statement has been prepared at historical cost:

   (1) Financial assets and liabilities (including derivatives) measured at fair value through profit or loss.

   (2) Financial assets measured at fair value through other comprehensive income.

2. It is necessary to use some important accounting estimates in the preparation of the financial statements in compliance with the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations (hereinafter referred to as IFRSs) approved and issued into effect by the FSC. In the process of applying the Group's accounting policies, it also requires the management to exercise its judgment, and items that involve a high degree of judgment or complexity, or involve significant assumptions and estimates in the consolidated financial statements. Please refer to Note 5 for details.

(III) Basis of consolidation

1. Principles for the preparation of consolidated financial statements

   (1) The Group included all subsidiaries in the consolidated financial statements. Subsidiaries refer to individual entities (including structured individual entities) that the Group has the right to control. When the Group is exposed to or entitled to variable remuneration from participation in the entity and through the power over the entity having influence over the returns, the Group controls the entity. Subsidiaries are included in the consolidated financial statements from the date the Group acquires the control, and the consolidation is terminated from the date of loss of control.

   (2) Inter-company transactions, unrealized gains and losses have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with the policies adopted by the Group.

   (3) The components of profit or loss and other comprehensive income are attributed to the owners and non-controlling interests of the parent company; the total amount of comprehensive income is also attributed to the owners and non-controlling interests of the parent company, even if the resulting non-controlling interests incur balance.

   (4) If the change in the shareholding of the subsidiary does not result in the loss of control (transaction with non-controlling interests), it is treated as an equity transaction, that is, it is regarded as a transaction with the owner. The difference between the adjusted amount

of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity.

(5) When the Group loses control of a subsidiary, the remaining investment in the former subsidiary is re-measured at fair value and treated as the fair value of the initially recognized financial assets or the cost of the investment in affiliates or joint ventures initially. The difference between the fair value and the carrying amount is recognized in current profit or loss. The accounting treatment of all amounts related to the subsidiary previously recognized in other comprehensive income shall be the same as the basis for the direct disposal of the relevant assets or liabilities by the Group. That is, if the profit or loss previously recognized as other comprehensive income will be reclassified as profit or loss when the relevant assets or liabilities are disposed, the profit or loss will be reclassified from equity to profit or loss when the significant control over the subsidiary is lost.

2. Subsidiaries included in the consolidated financial statements:

Name of Investment Company	Name of subsidiary	Nature of business	Percentage of equity held			Description
			June 30, 2024	December 31, 2023	June 30, 2023	
TBI Motion Technology Co., Ltd.	TBI Motion Technology (USA) LLC.	Sale of precision transmission components for the automated industry	100%	100%	100%	No
TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	Sale of precision transmission components for the automated industry	100%	100%	100%	No
TBI Motion Technology Co., Ltd.	TBI Motion Technology (HK) LTD.	Holding company for overseas enterprises	100%	100%	100%	No
TBI Motion Technology (HK) LTD.	TBI Motion Technology (Suzhou) Co., Ltd.	Sale of precision transmission components for the automated industry	100%	100%	100%	No

3. Subsidiaries not included in the consolidated financial statements: No such situation.

4. Different adjustment and treatment methods of subsidiaries during the accounting period: No such situation.

5. Material Restriction: No such situation.

6. Subsidiaries with non-controlling interests that are material to the Group: No such situation.

(IV) Foreign currency translation

The items listed in the financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the individual operates (i.e., the functional currency). The presentation currency of the consolidated financial statements is the functional currency of the Company, which is "NTD."

1. Transactions and balances in foreign currency

(1) Transactions denominated in foreign currencies are translated into the functional currency using the spot exchange rate on the transaction date or the measurement date and the translation differences arising from such transactions are recognized in profit or loss for the current period.

(2) The balance of monetary assets and liabilities denominated in foreign currencies is adjusted according to the spot exchange rate on the balance sheet date and the translation difference arising from the adjustment is recognized in the current profit or loss.

(3) For the balance of non-monetary assets and liabilities denominated in foreign currencies that are measured at FVTPL, they are adjusted using the spot exchange rate on the balance sheet date and the exchange difference arising from the adjustment is recognized in the current profit or loss; if measured at fair value through other comprehensive income, the adjustment is valuated according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized in other comprehensive income; if not measured at fair value, it is measured at the historical exchange rate on the initial transaction date.

(4) All foreign exchange gains and losses are reported in the "other gains and losses" of the Statement of Comprehensive Income.

2. Translation of foreign operations

For all group individuals and affiliated enterprises whose functional currency is different from the presentation currency, the operating results and financial position shall be translated into the presentation currency in the following ways:

(1) The assets and liabilities expressed in each balance sheet are translated at the closing exchange rate on the balance sheet date;

(2) The income, expenses and losses expressed in each comprehensive income statement are translated at the average exchange rates of the current period;

(3) All exchange differences arising from translation are recognized in other comprehensive income.

(V) <u>Classification criteria for current and non-current assets and liabilities</u>

1. Assets that meet one of the following conditions are classified as current assets:

(1) The asset is expected to be realized or intended to be sold or consumed in the normal business cycle.

(2) Mainly held for the purpose of trading.
(3) Expected to be realized within 12 months after the balance sheet date.
(4) Cash or cash equivalents, except for those to be exchanged or used to settle liabilities in at least 12 months after the balance sheet date.

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

2. Liabilities that meet one of the following conditions are classified as current liabilities:

(1) Expected to be settled in the normal business cycle.
(2) Mainly held for the purpose of trading.
(3) Expected to be settled within 12 months after the balance sheet date.
(4) Those without the right to defer the settlement of liabilities for at least 12 months after the reporting period.

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

(VI) Cash equivalents

Cash equivalent is a short-term investment with high liquidity that is readily convertible into known amounts of cash and is subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held to meet short-term cash commitments in operations are classified as cash equivalents.

(VII) Financial assets measured at fair value through profit or loss

1. Financial assets that are not measured at amortized cost or at fair value through other comprehensive income.
2. The Group adopts trade date accounting for financial assets measured at fair value through profit or loss that are customary transactions.
3. The Group measures their fair value at the time of initial recognition and the relevant transaction costs are recognized in profit or loss; subsequently, they are measured at fair value and the profit or loss is recognized in profit or loss.
4. When the right of dividends received is established, the economic benefits related to the dividends are likely to inflow and the amount of dividends can be reliably measured, the Group recognizes dividend income in profit or loss.

(VIII) Financial assets measured at fair value through other comprehensive income

1. Refers to an irrevocable choice at the time of initial recognition to report changes in the fair value of investments in equity instruments that are not held for trading in other comprehensive income.
2. The Group adopts trade date accounting for financial assets measured at fair value through other comprehensive income in accordance with transaction practices.

3. The Group measures according to its fair value plus transaction cost at the time of initial recognition, and subsequently measured at fair value: changes in fair value of equity instruments are recognized in other comprehensive income, and at the time of derecognition, the accumulated profit or loss previously recognized in other comprehensive income shall not be reclassified as profit or loss, but transferred to retained earnings. When the right to receive dividends is established, the economic benefits related to the dividends are likely to inflow and the amount of dividends can be reliably measured, the Group recognizes dividend income in profit or loss.

(IX) Financial assets measured at amortized cost

1. Refers to those who meet the following conditions at the same time:

   (1) The financial asset is held under the business model for the purpose of collecting contractual cash flow.

   (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. The Group adopts trade date accounting for financial assets measured at amortized cost in accordance with trading practices.

3. The Group holds time deposits that do not qualify as cash equivalents. Due to the short holding period, the impact of discounting is not significant and is measured at the investment amount.

(X) Accounts and notes receivable

1. Refer to accounts and bills that, according to the contract, have the unconditional right to receive the amount of consideration exchanged for the transferred goods or services.

2. For short-term accounts and notes receivable with unpaid interest, as the discounting effect is insignificant, the Group measures them at the original invoice amount.

(XI) Financial assets impairment

On each balance sheet date, the Group, regarding debt instrument investments measured at fair value through other comprehensive income and financial assets measured at amortized cost, considering all reasonable and corroborating information (including forward looking ones), if the credit risk has not increased significantly since the initial recognition, the loss allowance is measured at the 12-month expected credit loss amount; if the credit risk has increased significantly since the original recognition, the loss allowance is measured at the lifetime expected credit loss amount. For accounts receivable or contract assets that do not include a significant financial component, the loss allowance is measured at the amount of lifetime expected credit losses.

(XII) Derecognition of financial assets

When the contractual right to receive the cash flow from the financial asset expires, the financial asset will be derecognized.

(XIII) Inventories

Inventories are measured at the lower of cost or net realizable value and the cost is determined in accordance with the weighted average method. The cost of finished goods and work-in-progress includes raw materials, direct labor, other direct costs and production-related manufacturing expenses (allocated according to normal production capacity), but does not include borrowing costs. When comparing whether or not the cost or the net realizable value is lower, the item-by-item comparison method is adopted. The net realizable value refers to the estimated selling price in the normal business process less the estimated cost of completion and the estimated cost of sales balance.

(XIV) Non-current assets held for sale

When the carrying amount of a non-current asset is mainly recovered through a sale transaction rather than continued use, and the sale is highly probable, it is classified as an asset held for sale and measured at the lower of its carrying amount or fair value less costs to sell.

(XV) Property, plant and equipment

1. Property, plant and equipment are recorded at acquisition cost, and the relevant interest during the acquisition and construction period is capitalized.
2. The subsequent cost is included in the book value of the asset or recognized as an individual asset only when the future economic benefits related to the item are likely to flow into the Group and the cost of the item can be reliably measured. The book value of the replaced part shall be derecognized. All other maintenance expenses are recognized in profit or loss for the period when incurred.
3. Property, plant and equipment are subsequently measured at cost. Except for land, which is not depreciated, the depreciation is calculated using the straight-line method over the estimated number of useful years. Significant components of property, plant and equipment are depreciated separately.
4. The Group reviews the residual value, years of useful life and depreciation method of each asset at the end of each fiscal year. If the residual value and the expected value of useful years are different from the previous estimates, or if the future economic benefits of the asset shows a significant change in the expected consumption pattern, from the date of the change, it is treated in accordance with the provisions of IAS No. 8 "Accounting Policies, Changes in Accounting Estimates and Errors" for changes in accounting estimates. The

useful lives of each asset are as follows:

Buildings	2 to 45 years
Machinery and equipment	2 to 16 years
Transportation Equipment	4 to 6 years
Other equipment	2 to 20 years

(XVI) Lessee's lease transaction - right-of-use assets/lease liabilities

1. Lease assets are recognized as right-of-use assets and lease liabilities on the date they are available for use by the Group. When the lease contract is in the form of a short-term lease or a lease of a low-value target asset, the lease payments are recognized as expenses using the straight-line method over the lease period.
2. Lease liabilities are recognized at the present value of the lease payments that have not yet been paid on the lease starting date, discounted at the Group's incremental borrowing rate. Lease payments include:

   (1) Fixed payment, less any lease incentives receivable;

   (2) Variable lease payments depending on a certain index or rate;

   The interest expense is subsequently measured using the interest method and the amortized cost method and the interest expense is provided during the lease term. When the lease period or lease payment changes other than contract modification, the lease liabilities will be reassessed and the right-of-use assets will be remeasured.
3. The right-of-use asset is recognized at cost on the lease start date. Cost includes:

   (1) The initially measured amount of the lease liability;

   (2) Any lease payments made on or before the commencement date;

   (3) Any initial direct costs incurred; and

   the subsequent measurement is based on the cost model, and the depreciation expense is appropriated when the useful life of the right-of-use asset expires or the lease term expires, whichever is earlier. When the lease liability is reassessed, the right-of-use asset adjusts any remeasurement of the lease liability.

(XVII) Intangible assets

Mainly computer software and patents, they are recognized at acquisition cost and amortized using the straight-line method over the estimated useful lives of 1 to 18 years.

(XVIII) Non-financial assets impairment

On the balance sheet date, the recoverable amount of assets with signs of impairment is estimated. When the recoverable amount is lower than the carrying amount, the impairment loss is recognized. The recoverable amount is the fair value of an asset less the cost of disposal or its value in use, whichever is higher. When the impairment loss of assets recognized in prior years does not exist or decreases, the impairment loss is reversed. However, the increase in book value of the asset due to the impairment loss due to the reversal shall not exceed the amount of the depreciation or amortization if the impairment loss was not recognized for the asset and subsequent book value.

(XIX) Borrowings

Refers to long-term and short-term borrowings from banks. The Group measures their fair values less transaction costs at the time of initial recognition, and subsequently, for any difference between the price after deducting transaction costs and the redemption value, the effective interest method is used to recognize interest expenses in the outstanding period according to the amortization procedure in profit or loss.

(XX) Accounts and notes payable

1. Refers to debts incurred from the purchase of raw materials, commodities or labor services on credit, and notes payable due to business and non-business reasons.
2. For short-term accounts and notes payable with unpaid interest, as the discounting effect is insignificant, the Group measures them based on the original invoice amount.

(XXI) Convertible corporate bonds payable

The convertible bonds issued by the Group are embedded with conversion rights (i.e., holders can choose the right to convert into the Group's common shares with a fixed amount of shares converted into a fixed number of shares) and repurchase options. At the time of initial issuance, the issuance price is divided into financial assets, financial liabilities or equity according to the issuance conditions and the treatment is as follows:

1. Embedded repurchase rights: The net fair value is stated as "financial assets or liabilities measured at fair value through profit or loss" at the time of initial recognition; subsequently, on the balance sheet date, it is evaluated at the then fair value; differences are recognized as “Gains or losses on financial assets (liabilities) measured at fair value through profit or loss.”
2. Corporate bond host contract: The difference between the fair value measurement at the time of initial recognition and the redemption value is recognized as the corporate bond premium or discount payable; subsequently, the effective interest method is used and recognized in the profit or loss during the outstanding period according to the amortization procedure. It is used as an adjustment item in "Finance cost."
3. Embedded conversion right (complying with the definition of equity): At the time of initial recognition, the residual value of the issued amount after deducting the above-

mentioned "financial assets or liabilities at fair value through profit or loss" and "corporate bonds payable" is accounted for under "capital equity - stock options" and no subsequent remeasurement is required.

4. Any directly attributable transaction costs of the issuance are allocated to each component of each liability and equity in accordance with the original book value of each component referred to above.
5. When the holders are changed, the liability components (including "corporate bonds payable" and "financial assets or liabilities at fair value through profit or loss") are accounted for according to their classification and then plus the carrying amount of "capital reserve - share options" as the issuance cost of the common shares.

(XXII) Derecognition of financial liabilities

The Group derecognizes financial liabilities when the contractual obligations are fulfilled, cancelled or expired.

(XXIII) Provisions

The provisions are recognized when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably. The provisions are measured based on the best estimated present value of the expenditure required to settle the obligation on the balance sheet date. The discount rate is based on the pre-tax discount rate that reflects the current market assessment of the time value of money and the specific risks of the liability, and the amortized discount is recognized as interest expense. No provisions shall be recognized for future operating losses.

(XXIV) Employee benefits

1. Short-term employee benefits

   Short-term employee benefits are measured by the non-discounted amount expected to be paid, and are recognized as expenses when the related services are provided.

2. Pension

   Defined contribution plan

   For the defined contribution plan, the amount that should be contributed to the pension fund is recognized as the current pension cost on an accrual basis. Prepaid allocations are recognized as assets within the scope of refundable cash or reduction of future payments.

3. Remuneration to employees and directors

   Employees' remuneration and directors' remuneration are recognized as expenses and liabilities when they have legal or constructive obligations and the amount can be reasonably estimated. If there is a discrepancy between the actual distributed amount and the estimated amount, it will be treated as a change in accounting estimate. If the employee's remuneration is paid in shares, the number of shares is calculated based on the closing price on the day before the date of the resolution of the board of directors.

(XXV) Income tax

1. Income tax expense includes current and deferred income tax. Income tax is recognized in profit or loss, except for items that are recognized in other comprehensive income or directly in equity, respectively.
2. The Group calculates the income tax for the current period in accordance with the tax rate that has been enacted or substantially enacted in the countries where the Group is operating and generating taxable income on the balance sheet date. The management regularly evaluates the status of income tax filings in accordance with the applicable income tax related laws and regulations, and, if applicable, the estimated income tax liabilities based on the tax expected to be paid to the taxing authorities. Undistributed earnings are subject to additional income tax in accordance with the income tax law. The undistributed earnings income tax expense is recognized based on the actual distribution of earnings once the earnings distribution proposal is passed at the shareholders' meeting in the year following the year in which the earnings are generated.
3. Deferred income tax is recognized based on the temporary differences between the tax bases of assets and liabilities and their carrying amounts on the balance sheet using the balance sheet method. The deferred income tax liabilities arising from the initially recognized goodwill shall not be recognized. If the deferred income tax is derived from the initial recognition of assets or liabilities in the transaction (excluding business combination) on the initial recognition of assets or liabilities and the transaction does not affect accounting profits or taxable income (taxable losses) at the time of the transaction and does not generate equivalent taxable and deductible temporary differences, they are not to be recognized. If the temporary difference generated by the investment in the subsidiaries can be controlled by the Group to control the time point for the temporary difference to reverse, and the temporary difference is very likely not to be reversed in the foreseeable future, it shall not be recognized. Deferred income tax is based on the tax rate (and tax law) that has been enacted or substantially enacted at the balance sheet date and that is expected to apply when the related deferred income tax assets are realized or deferred income tax liabilities are settled.
4. Deferred income tax assets are recognized within the scope of temporary differences that are likely to be used to offset future taxable income and the unrecognized and

recognized deferred income tax assets are reassessed at each balance sheet date.

5. When there is a legally enforceable right to offset the amount of current income tax assets and liabilities recognized, and there is an intention to settle on a net basis or realize the assets and settle the liabilities at the same time, offset the current income tax assets and liabilities; when there is a legally enforceable right to offset current income tax assets and current income tax liabilities and the deferred income tax assets and liabilities are levied by the same taxation authority, the same taxable entity or different taxable entities and each entity intends to repay on the basis of the net amount or to realize assets and repay liabilities at the same time, the deferred income tax assets and liabilities are offset.
6. The estimated annual average effective tax rate applies to the interim income tax expenses to calculate the interim income before tax and the relevant information is disclosed in accordance with the aforementioned policies.
7. When there is a change in tax rate during the interim period, the Group recognizes the effect of the change all at once in the period in which the change occurs. For income tax related to an item other than profit or loss, the effect of the change is recognized in other comprehensive income or equity, the income tax is related to the item recognized in profit or loss, the effect of the change is recognized in profit or loss.

(XXVI) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or share options, net of income tax, are recognized in equity as a deduction of the consideration.

(XXVII) Dividends distribution

Dividends distributed to the Company's shareholders are recognized in the financial statements when the shareholders' meeting resolves to distribute dividends. Cash dividends are recognized as liabilities and stock dividends are recognized as stock dividends to be distributed and transferred to common shares on the record date of issuance of new shares.

(XXVIII) Revenue recognition

Sale of goods

1. The Group manufactures and sells precision transmission components for industrial automation, ball screws and linear guides. Revenue from sales is recognized when the control of the product is transferred to the customer. That is, when the product is delivered to the customer, the customer has discretion over the sales channel and price of product and when there are no outstanding performance obligations by the Group that may affect the customer's acceptance of the product. When the product is

transported to the designated location, the risk of obsolescence and loss has been transferred to the customer and the customer accepts the product in accordance with the sales contract, or there is objective evidence to prove that all acceptance criteria have been met.

2. Accounts receivable are recognized when the goods are delivered to the customer, as the Group has an unconditional right to the contract price from that point on and it only takes time to collect the consideration from the customer.

(XXIX) Government grants

Government subsidies are recognized at fair value when it is reasonably certain that the enterprise will comply with the conditions attached to the government subsidies and the subsidies will be received. If the nature of the government subsidies is to compensate the expenses incurred by the Group, the government subsidies shall be recognized as current profit or loss on a systematic basis in the period in which the relevant expenses are incurred.

(XXX) Operating department

The information of the Group's operating segments is reported in a consistent manner with the internal management reports provided to major operational decision makers. The chief operational decision-makers are responsible for allocating resources to operating segments and evaluating their performance.

V. Major sources of uncertainty in major accounting judgments, estimates and assumptions

When the Group prepared these consolidated financial statements, the management has exercised its judgment to determine the accounting policies adopted, and made accounting estimates and assumptions based on reasonable expectations of future events as of the balance sheet date. Significant accounting estimates and assumptions made may differ from the actual results. Historical experience and other factors will be considered for continuous evaluation and adjustment. Please refer to the following descriptions of significant accounting judgments, estimates and uncertainties of assumptions:

(I) Important judgment on the adoption of accounting policies

None.

(II) Important accounting estimates and assumptions

1. Impairment assessment of accounts receivable

In the process of impairment assessment of accounts receivable, after considering all reasonable and corroborating information (including forward-looking information) for accounts receivable with significant financing components, if the credit risk has not increased significantly since the initial recognition, the loss allowance is measured at the 12-month expected credit loss amount; if the credit risk has increased significantly since the original recognition, the loss allowance is measured at the lifetime expected credit loss amount. For accounts receivable that do not include a significant financial component, the loss allowance is measured at the amount of lifetime expected credit losses. The allowance is based on reasonable expectations of future events as of the balance sheet date. However, the actual results may differ materially.

2. Valuation of inventories

Since inventories must be valued at the lower of cost or net realizable value, the Group must use judgment and estimate to determine the net realizable value of inventories on the balance sheet date. Due to the rapid changes in market products, the Group assesses the amount of inventories due to normal wear and tear, obsolete or no market sales value on the balance sheet date, and writes off the inventory cost to the net realizable value. The valuation of the inventory is mainly based on the demand for products in a specific period of time in the future, so there may be significant changes.

VI. Description of major accounting titles

(I) Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand and revolving funds	$ 1,283	$ 1,193	$ 1,386
Checking deposit and demand deposit	494,337	610,851	742,247
Total	$ 495,620	$ 612,044	$ 743,633

1. The credit quality of the financial institutions with which the Group interacts is good and the Group interacts with multiple financial institutions to diversify credit risks and the possibility of default is expected to be very low.
2. On June 30, 2024, December 31, 2023 and June 30, 2023, the Group's bank deposits of NT$30,000 were classified as "non-current financial assets at amortized cost" due to the restricted use of performance bonds.

(II) Financial assets measured at fair value through profit or loss

Item	June 30, 2024	December 31, 2023	June 30, 2023
Current items:			
Financial assets mandatorily measured at fair value through profit or loss			
Right to repurchase convertible bonds issued	$ -	$ -	$ 179

1. The breakdown of financial assets measured at fair value through profit or loss recognized in

profit or loss is as follows:

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Financial assets mandatorily measured at fair value through profit or loss		
Right to repurchase convertible bonds issued	($ 26)	($ 376)

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Financial assets mandatorily measured at fair value through profit or loss		
Right to repurchase convertible bonds issued	$ -	($ 41)

2. The Company does not provide financial assets measured at fair value through profit or loss as collateral.

3. For information on the fair value of financial assets measured at fair value through profit or loss, please refer to Note 12(3).

(III) Financial assets measured at fair value through other comprehensive income

Item	June 30, 2024	December 31, 2023	June 30, 2023
Non-current items:			
Equity instrument			
Non-listed, OTC, and emerging stocks	$ 52,515	$ 52,515	$ 52,515
Valuation adjustment	36,403	42,079	43,790
Total	$ 88,918	$ 94,594	$ 96,305

1. The Group chose to classify the equity investments that are strategic investments as financial assets measured at fair value through other comprehensive income.

2. The breakdown of financial assets measured at fair value through other comprehensive income and comprehensive income recognized in profit or loss is as follows:

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Changes in fair value of equity instruments measured at fair value through other comprehensive income recognized in other comprehensive income	($ 5,676)	$ -
Dividend income recognized in profit or loss and still held at the end of the current period	$ -	$ 4,632

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Equity instruments measured at fair value through other comprehensive income		
Changes in fair value recognized in other comprehensive income	($ 5,676)	$ -
Dividend income recognized in profit or loss and still held at the end of the current period	$ -	$ 4,632

3. For relevant fair value information, please refer to Note 12(3).

(IV) Financial assets measured at amortized cost

Item	June 30, 2024	December 31, 2023	June 30, 2023
Current items:			
Time deposit	$ -	$ -	$ 1,000
Non-current items:			
Pledged time deposit	30,000	30,000	30,000
Total	$ 30,000	$ 30,000	$ 31,000

1. For the interest income recognized in profit or loss of financial assets measured at amortized cost from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, please refer to Note 6 (21).
2. Please refer to Note 8 for the Group's financial assets measured at amortized cost as collaterals.

(V) Notes and accounts receivable

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	$ 320,454	$ 171,031	$ 61,191
Accounts receivable	$ 654,505	$ 727,172	$ 963,387
Less: Loss allowance	(119,954)	(83,081)	(58,186)
	$ 534,551	$ 644,091	$ 905,201
Non-performing loans (stated as other non-current assets)	$ 78,708	$ 74,510	$ 75,558
Less: Loss allowance	(78,708)	(74,510)	(75,558)
	$ -	$ -	$ -

Non-performing loans refer to the balance of accounts that have been collected through outsourcing and litigation.

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

	June 30, 2024		December 31, 2023	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 247,341	$ 320,454	$ 228,253	$ 171,031
Overdue				
Within 30 days	195,042	-	109,918	-
31 to 90 days	64,393	-	158,851	-
91 to 180 days	27,775	-	147,069	-
More than 181 days	-	-	-	-
	$ 534,551	$ 320,454	$ 644,091	$ 171,031

	June 30, 2023	
	Accounts receivable	Notes receivable
Not past due	$ 348,628	$ 61,191
Overdue		
Within 30 days	345,848	-
31 to 90 days	115,612	-
91 to 180 days	76,556	-
More than 181 days	18,557	-
	$ 905,201	$ 61,191

The above is an aging analysis based on the number of overdue days.

2. The balance of accounts receivable and notes receivable on June 30, 2024, December 31, 2023, and June 30, 2023, were all arising from contracts with customers, and the balance of accounts receivable on contracts with customers on January 1, 2023 was NT$878,124.
3. Without considering the collateral or other credit enhancements held, the maximum exposure amount that best represents the credit risk of the notes receivable best representing the Group as of June 30, 2024, December 31, 2023, and June 30, 2023, was NT$320,454, NT$171,031 and NT$61,191, respectively; the maximum credit risk exposure best representing the Group

on June 30, 2024, December 31, 2023 and June 30, 2023, was NT$534, 551, NT$644, 091 and NT$905,201, respectively.

4. Please refer to Note 12(2) for the credit risk information of accounts receivable and notes receivable in detail.

(VI) Inventories

	June 30, 2024		
	Cost	Allowance for devaluation losses	Carrying amount
Raw materials	$ 337,126	($ 76,621)	$ 260,505
Work in process	594,192	(65,222)	528,970
Finished goods	1,047,980	(175,843)	872,137
Total	$ 1,979,298	($ 317,686)	$ 1,661,612
	December 31, 2023		
	Cost	Allowance for devaluation losses	Carrying amount
Raw materials	$ 382,990	($ 55,962)	$ 327,028
Work in process	487,334	(53,359)	433,975
Finished goods	1,771,927	(151,258)	1,620,669
Total	$ 2,642,251	($ 260,579)	$ 2,381,672
	June 30, 2023		
	Cost	Allowance for devaluation losses	Carrying amount
Raw materials	$ 385,975	($ 43,285)	$ 342,690
Work in process	505,643	(44,247)	461,396
Finished goods	1,880,415	(103,656)	1,776,759
Total	$ 2,772,033	($ 191,188)	$ 2,580,845

Expenses and losses related to inventory recognized in the current period:

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Cost of sold inventories	$ 600,030	$ 557,939
Inventory valuation (gains) losses	(26,940)	36,222
Loss on inventory	1,493	700
Revenue from sale of scraps	(425)	(932)
	$ 574,158	$ 593,929
	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Cost of sold inventories	$ 1,233,042	$ 1,100,152
Inventory valuation losses	54,810	58,501
Inventory loss (profit)	1,493	(17)
Revenue from sale of scraps	(558)	(1,869)
	$ 1,288,787	$ 1,156,767

The Group recognized a decrease in cost of goods sold due to the rise in net realizable value of inventory resulting from continued inventory clearance.

(VII) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation Equipment	Others	Construction in progress	
	Self-use	Self-use	Self-use	Self-use	Self-use	Self-use	Total
January 1, 2024							
Cost	$ 894,994	$ 1,624,004	$ 1,524,764	$ 5,886	$ 395,200	$ 124,076	$ 4,568,924
Accumulated depreciation	-	(419,535)	(1,089,727)	(3,769)	(285,405)	-	(1,798,436)
	$ 894,994	$ 1,204,469	$ 435,037	$ 2,117	$ 109,795	$ 124,076	$ 2,770,488
2024							
January 1	$ 894,994	$ 1,204,469	$ 435,037	$ 2,117	$ 109,795	$ 124,076	$ 2,770,488
Addition	-	-	7,015	469	9,933	14,289	31,706
Disposal - cost	-	-	-	(1,950)	(3,116)	-	(5,066)
Disposal - Accumulated depreciation	-	-	-	613	3,048	-	3,661
Transfer	-	-	2,388	-	1,193	(2,483)	1,098
Depreciation expense	-	(28,541)	(57,107)	(228)	(19,598)	-	(105,474)
Exchange difference, net	-	-	459	41	563	-	1,063
June 30	$ 894,994	$ 1,175,928	$ 387,792	$ 1,062	$ 101,818	$ 135,882	$ 2,697,476
June 30, 2024							
Cost	$ 894,994	$ 1,624,004	$ 1,534,700	$ 4,459	$ 403,924	$ 135,882	$ 4,597,963
Accumulated depreciation	-	(448,076)	(1,146,908)	(3,397)	(302,106)	-	(1,900,487)
	$ 894,994	$ 1,175,928	$ 387,792	$ 1,062	$ 101,818	$ 135,882	$ 2,697,476

	Land	Buildings	Machinery and equipment	Transportation Equipment	Others	Construction in progress	
	Self-use	Self-use	Self-use	Self-use	Self-use	Self-use	Total
January 1, 2023							
Cost	$ 1,006,321	$ 1,820,521	$ 1,431,128	$ 4,904	$ 356,576	$ 76,944	$ 4,696,394
Accumulated depreciation	-	(436,807)	(971,374)	(2,815)	(249,370)	-	(1,660,366)
	$ 1,006,321	$ 1,383,714	$ 459,754	$ 2,089	$ 107,206	$ 76,944	$ 3,036,028
2023							
January 1	$ 1,006,321	$ 1,383,714	$ 459,754	$ 2,089	$ 107,206	$ 76,944	$ 3,036,028
Addition	-	1,409	15,226	667	6,664	76,031	99,997
Disposal - cost	-	-	(251)	-	(272)	-	(523)
Disposal - Accumulated depreciation	-	-	56	-	181	-	237
Transfer of prepaid equipment payment	-	6,074	22,781	-	21,363	(30,904)	19,314
Depreciation expense	-	(35,207)	(59,159)	(457)	(20,544)	-	(115,367)
Exchange difference, net	-	-	(235)	(42)	-	(189)	(466)
June 30	$ 1,006,321	$ 1,355,990	$ 438,172	$ 2,257	$ 114,598	$ 121,882	$ 3,039,220
June 30, 2023							
Cost	$ 1,006,321	$ 1,828,004	$ 1,468,884	$ 5,571	$ 384,331	$ 122,071	$ 4,815,182
Accumulated depreciation	-	(472,014)	(1,030,712)	(3,314)	(269,733)	(189)	(1,775,962)
	$ 1,006,321	$ 1,355,990	$ 438,172	$ 2,257	$ 114,598	$ 121,882	$ 3,039,220

For information on property, plant and equipment as collateral, please refer to the descriptions in Note VIII.

(VIII) Lease transaction - Lessee

1. The underlying assets leased by the Group include land, buildings and buildings, official vehicles and telephone systems. The lease contract period usually ranges from 2 to 50 years. Lease contracts are negotiated separately and include various terms and conditions. No other restrictions are imposed except that the leased assets may not be used as guarantees for loans.
2. The carrying amount of the right-of-use assets and the information of depreciation expense recognized are as follows:

	Carrying amount as of June 30, 2024	Carrying amount as of December 31, 2023	Carrying amount as of June 30, 2023
Land	$ 700,349	$ 616,909	$ 622,180
Buildings	6,615	7,396	9,703
Transportation equipment (office vehicles)	4,356	6,704	6,588
Other equipment	2,478	6,939	1,488
	$ 713,798	$ 637,948	$ 639,959

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
	Depreciation expense	Depreciation expense
Land	($ 4,639)	($ 4,014)
Buildings	(3,569)	(4,899)
Transportation equipment (office vehicles)	(1,088)	(1,566)
Other equipment	(2,230)	(248)
	($ 11,526)	($ 10,727)

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
	Depreciation expense	Depreciation expense
Land	($ 9,277)	($ 8,028)
Buildings	(7,691)	(9,382)
Transportation equipment (office vehicles)	(2,358)	(3,107)
Other equipment	(4,460)	(496)
	($ 23,786)	($ 21,013)

3. The increase in the Group's right-of-use assets from January 1 to June 30, 2024 and 2023, were NT$99,604 and NT$13,333, respectively.
4. The information of loss (gain) related to lease contract is as follows:

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Items affecting current profit or loss		
Interest expense of lease liabilities	$ 3,018	$ 2,766
Expenses of short-term lease contracts	1,594	1,206

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Items affecting current profit or loss		
Interest expense of lease liabilities	$ 6,085	$ 5,567
Expenses of short-term lease contracts	2,855	2,430

5. The Group's total lease cash outflow from January 1 to June 30, 2024 and 2023, was NT$29,566 and NT$25,129, respectively.

(IX) Intangible assets

	Patent right	Computer software	Total
January 1, 2024			
Cost	$ 12,000	$ 110,306	$ 122,306
Accumulated amortization	(11,873)	(82,620)	(94,493)
	$ 127	$ 27,686	$ 27,813
2024			
January 1	$ 127	$ 27,686	$ 27,813
Addition	-	11,658	11,658
Disposal - cost	-	(52,503)	(52,503)
Disposal - Amortization	-	52,503	52,503
Transfer	-	1,648	1,648
Amortization expense	(13)	(14,957)	(14,970)
Exchange difference, net	-	6	6
June 30	$ 114	$ 26,041	$ 26,155
June 30, 2024			
Cost	$ 12,000	$ 176,115	$ 188,115
Accumulated amortization	(11,886)	(150,074)	(161,960)
	$ 114	$ 26,041	$ 26,155

	Patent right	Computer software	Total
January 1, 2023			
Cost	$ 12,000	$ 82,256	$ 94,256
Accumulated amortization	(11,848)	(57,005)	(68,853)
	$ 152	$ 25,251	$ 25,403
2023			
January 1	$ 152	$ 25,251	$ 25,403
Addition	-	11,797	11,797
Transfer of prepaid equipment payment	-	1,330	1,330
Amortization expense	(13)	(11,229)	(11,242)
Exchange difference, net	-	(7)	(7)
June 30	$ 139	$ 27,142	$ 27,281
June 30, 2023			
Cost	$ 12,000	$ 95,373	$ 107,373
Accumulated amortization	(11,861)	(68,231)	(80,092)
	$ 139	$ 27,142	$ 27,281

The details of amortization of intangible assets are as follows:

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Operating costs	$ 1,624	$ 186
Selling expenses	26	31
General and administrative expenses	5,295	5,176
Research and development expenses	532	262
	$ 7,477	$ 5,655

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Operating costs	$ 3,245	$ 373
Selling expenses	65	56
General and administrative expenses	10,608	10,380
Research and development expenses	1,052	433
	$ 14,970	$ 11,242

(X) Other non-current assets

	June 30, 2024	December 31, 2023	June 30, 2023
Prepayment for equipment	$ 14,878	$ 11,739	$ 29,314
Refundable deposits	11,506	13,578	12,969
Other non-current assets	17	-	-
	$ 26,401	$ 25,317	$ 42,283

(XI) Non-current assets held for sale

The Group resolved to dispose of the real estate in Yingge District on November 8, 2023 and the related assets were classified as non-current assets held for sale, which is expected to be completed before the end of 2024.

	June 30, 2024	December 31, 2023	June 30, 2023
Property, plant and equipment	$ 230,564	$ 230,564	$ -

The said non-current asset held for sale was re-measured at the lower of its book value or fair value less selling cost, and no impairment loss was incurred. Please refer to Note VIII for the guarantee information.

(XII) Short-term borrowings

Nature of loan	June 30, 2024	Interest rate range	Collateral
Bank borrowings			
Unsecured loan	$ 330,000	1.78-1.83%	No

Nature of loan	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured loan	$ 670,000	1.65-1.85%	No

Nature of loan	June 30, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured loan	$ 512,390	1.64-2.00%	No

For interest expense recognized in profit or loss from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, please refer to Note 6 (24).

(XIII) Other payables

	June 30, 2024	December 31, 2023	June 30, 2023
Salaries and bonuses payable	$ 94,859	$ 139,486	$ 129,124
Labor health insurance premium payable	15,750	15,070	17,331
Payables for equipment	6,026	4,200	3,489
Payables for packaging	6,016	1,781	11,358
Research and experimentation expenses payable	1,049	2,681	1,213
Dividends payable	-	-	141,267
Other payable expenses	63,333	84,664	123,886
	$ 187,033	$ 247,882	$ 427,668

(XIV) Long-term borrowings

Nature of loan	Borrowing period and repayment method	Interest rate range	Collateral	June 30, 2024
Long-term bank borrowings				
Secured loan	Repayment will be made in accordance with the agreed terms from March 23, 2016 to January 26, 2042.	2.03%-2.33%	Land and buildings	$1,324,181
Unsecured loan	Repayment will be made in accordance with the agreed terms from December 1, 2016 to October 15, 2031.	1.3%-2.35%	No	551,196
				1,875,377
Less: Long-term borrowings due within one year or one operating cycle				(271,607)
				$ 1,603,770

Nature of loan	Borrowing period and repayment method	Interest rate range	Collateral	December 31, 2023
Long-term bank borrowings				
Secured loan	Repayment will be made in accordance with the agreed terms from March 23, 2016 to January 26, 2042.	2.03%-2.2%	Land and buildings	$ 1,362,867
Unsecured loan	Repayment will be made in accordance with the agreed terms from December 1, 2016 to October 15, 2031.	1.3%-2.23%	No	619,756
				1,982,623
Less: Long-term borrowings due within one year or one operating cycle				(236,058)
				$ 1,746,565

Nature of loan	Borrowing period and repayment method	Interest rate range	Collateral	June 30, 2023
Long-term bank borrowings				
Secured loan	Repayment will be made in accordance with the agreed terms from March 23, 2016 to January 26, 2042.	2.03%-2.2%	Land and buildings	$1,405,776
Unsecured loan	Repayment will be made in accordance with the agreed terms from December 1, 2016 to October 15, 2031.	1.3%-2.23%	No	620,833
				2,026,609
Less: Long-term borrowings due within one year or one operating cycle				(212,795)
				$ 1,813,814

1. For interest expense recognized in profit or loss from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, please refer to Note 6 (24).

2. For the above-mentioned loan from financial asset institutions, the related party serves as the joint guarantor. Please refer to the descriptions in Note 7.

(XV) Bonds payable

	June 30, 2024	December 31, 2023	June 30, 2023
Bonds payable	$ 763,700	$ 763,700	$ 763,700
Less: Discount of corporate bond payable	(18,980)	(25,845)	(31,731)
	744,720	737,855	731,969
Less: Corporate bonds maturing within one year or one operating cycle or repurchase rights exercised	-	-	-
	$ 744,720	$ 737,855	$ 731,969

1. Domestic convertible bonds issued by the Company

(1) The conditions for the Company's issuance of the 1st secured convertible bonds in Taiwan are as follows:

A. The first domestic secured convertible bonds are approved by the competent authority. The total amount to be issued is NT$500,000, the coupon rate of 0%, the issuance period is 3 years, and the circulation period is from October 24, 2022 to October 24, 2025. The convertible bonds are repaid in cash in one lump sum at the bond face value upon maturity. The 1st batch of convertible bonds was listed for trading on the Taipei Exchange on October 24, 2022.

B. From the day following the expiration of three months after the date of issue (January 25, 2023) to the maturity date (October 24, 2025), outside of the transfer suspension period, the holders of these convertible corporate bonds may make a request for conversion into the Company's ordinary shares at any time. The rights and obligations of the ordinary shares after conversion are the same as the ordinary shares originally issued.

C. The conversion price of these convertible corporate bonds was set in accordance with the pricing model stipulated in the Regulations for Conversion. Subsequently, the conversion price will be adjusted according to the pricing model stipulated in the Regulations for Conversion in case of the Company's anti-dilution clause. The conversion price shall be re-set according to the pricing model on the base date, both as stipulated in the Regulations for Conversion. If the conversion price is higher than the conversion price before the re-setting in the current year, no adjustment shall be made. The conversion price of these convertible corporate bonds at the time of issuance is NT$40.5 per share. Due to the distribution of cash dividends of the common shares, it has been adjusted in accordance with Article 11 of the Regulations for the Issuance and Conversion of the First Secured Convertible Corporate Bonds in Taiwan. Since September 13, 2023, the conversion price was adjusted from NT$40.5 per share to NT$38.9 per share.

D. From the day following the expiration of three months from the issuance of the convertible corporate bonds (January 25, 2023) to the forty days prior to the expiration of the issuance period (September 15, 2025), when the closing price of the Company's common shares exceeds 30% of the conversion price at the time for thirty consecutive business days, or the day following three months after issuance of the convertible corporate bonds (January 25, 2023) to the 40 days prior to the expiration of the issuance period (September 15, 2025), if the outstanding balance of the convertible bonds is less than 10% of the initial issuance amount, the Company may recover all of the bonds in cash at the par value at any time thereafter.

E. In accordance with the Regulations Governing the Conversion, all the Corporate Bonds for which the Bonds are redeemed (including those bought back from Taipei Exchange), repaid or converted will be cancelled, and all the rights and obligations attached to the bonds shall be extinguished at the same time, and will not be issued again.

F. As of June 30, 2024, the convertible corporate bonds with a face value of NT$100 had been converted into 2,469 ordinary shares.

(2) The conditions for the Company's issuance of the 2nd unsecured convertible bonds in Taiwan are as follows:

A. The second domestic unsecured convertible bonds are approved by the competent authority. The total amount to be issued is NT$300,000, the coupon rate of 0%, the issuance period is 3 years and the circulation period is from December 12, 2022 to December 12, 2025. The convertible bonds are repaid in cash in one lump sum at the bond face value upon maturity. The 2nd batch of convertible bonds was listed for trading on the Taipei Exchange on December 12, 2022.

B. From the day following the expiration of three months after the date of issue (March 13, 2023) to the maturity date (December 12, 2025), outside of the transfer suspension period, the holders of these convertible corporate bonds may make a request for conversion into the Company's ordinary shares at any time. The rights and obligations of the ordinary shares after conversion are the same as the ordinary shares originally issued.

C. The conversion price of these convertible corporate bonds was set in accordance with the pricing model stipulated in the Regulations for Conversion. Subsequently, the conversion price will be adjusted according to the pricing model stipulated in the Regulations for Conversion in case of the Company's anti-dilution clause. The conversion price shall be re-set according to the pricing model on the base date, both as stipulated in the Regulations for Conversion. If the conversion price is higher than the conversion price before the re-setting in the current year, no adjustment shall be made. The conversion price of these convertible corporate bonds at the time of issuance is NT$37 per share. Due to the distribution of cash dividends of the common shares, it has been adjusted in accordance with Article 11 of the Regulations for the Issuance and Conversion of the Second Unsecured Convertible Corporate Bonds in Taiwan. Since September 13, 2023, the conversion price was adjusted from NT$37 per share to NT$35.5 per share.

D. From the day following the expiration of three months from the issuance of the convertible corporate bonds (March 13, 2023) to the forty days prior to the expiration of the issuance period (November 2, 2025), when the closing price of the Company's common shares exceeds 30% of the conversion price at the time for thirty consecutive business days, or the day following three months after issuance of the convertible corporate bonds (March 13, 2023) to the 40 days prior to the expiration of the issuance period (November 2, 2025), if the outstanding balance of the convertible bonds is less than 10% of the initial issuance amount, the Company may recover all of the bonds in cash at the par value at any time thereafter.

E. In accordance with the Regulations Governing the Conversion, all the Corporate Bonds for which the Bonds are redeemed (including those bought back from Taipei Exchange), repaid or converted will be cancelled, and all the rights and obligations attached to the bonds shall be extinguished at the same time, and will not be issued again.

F. As of June 30, 2024, the convertible corporate bonds with a face value of NT$36,200 had been converted into 978,359 ordinary shares.

2. When the Company issued the first and second convertible corporate bonds, in accordance with IAS 32 "Financial Instruments: Presentation," the conversion option that was of the nature of conversion was separated from each component of liabilities, and accounted for in "Capital reserve - share options" was totaled NT$49,598. In addition, the embedded repurchase options are not closely related to the economic characteristics and risks of the debt instrument of the host contract in accordance with IFRS 9 "Financial Instruments," so they are separated and accounted for in the net amount of "Financial assets or liabilities measured at fair value through profit or loss." The effective interest rate of the host contract after the separation is 1.8053% to 1.9797%.

(XVI) Pension

1. In accordance with the "Labor Pension Act", the Group has established a defined contribution retirement method, which is applicable to domestic employees. In accordance with the labor pension system stipulated in the "Labor Pension Act" for employees choosing to apply for the labor pension, the Group contributes 6% of the monthly salary to the employee's individual account at the Bureau of Labor Insurance. The employee's pension is paid in accordance with the employee's individual pension. The amount of accumulated income and segregated account is withdrawn as monthly pension or lump sum.
2. From April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2023, the pension costs recognized by the Group in accordance with the above regulations were NT$4,904, NT$7,046, NT$10,061, and NT$14,060, respectively.

(XVII) Share capital

1. On June 30, 2024, the Company's authorized capital was NT$3,000,000 divided into 300,000 thousand shares; the share capital was NT$951,588 with a face value of NT$10 per share. Payment for the issued shares of the Company has been received. The number of outstanding common shares at the beginning and the end of the period is adjusted as follows: (Unit: shares)

	2024	2023
January 1	95,158,828	94,178,000
Corporate bond conversion	-	980,828
June 30	95,158,828	95,158,828

2. Corporate bond conversion

   As of June 30, 2024, the Company had 980,828 ordinary shares issued due to the exercise of conversion rights with respect to the secured and unsecured convertible bonds issued by the Company in 2022 and registration of all changes has been completed.

(XVIII) Capital surplus

1. In accordance with the provisions of the Company Act, the premium from the issuance of shares in excess of the par value and the capital reserve from the receipt of gifts may be used to make up for losses. When the Company has no accumulated losses, new shares or cash are issued or paid in proportion to the original shares of the shareholders. In addition, according to the relevant provisions of the Securities and Exchange Act, when the additional paid-in capital above is appropriated to capital, its total amount each year shall

not exceed 10% of the paid-in capital. The Company shall not use the additional paid-in capital to make up for the capital loss unless the earnings reserve is still insufficient to make up for the capital loss.

2. The changes in the capital surplus of the Company from January 1 to June 30, 2024 and 2023, are as follows:

	2024			
	Issuance premium	Employee share warrants	Stock options	Total
January 1 (same as June 30)	$ 1,651,944	$ 25,244	$ 47,712	$ 1,724,900

	2023			
	Issuance premium	Employee share warrants	Stock options	Total
January 1	$ 1,625,489	$ 25,244	$ 49,598	$ 1,700,331
Exercise of the right to convert convertible corporate bonds into stock	26,420	-	(2,737)	23,683
June 30	$ 1,651,909	$ 25,244	$ 46,861	$ 1,724,014

(XIX) Retained earnings

1. In accordance with the Company's Articles of Incorporation, where the Company has earnings at the end of the fiscal year, the Company shall first pay all taxes, offset its losses in the precious years and set aside a legal capital reserve at 10% of the net profit, which may be exempted when the accumulated legal capital reserve is equal the paid-in capital of the Company. Then set aside or reverse special capital reserve in accordance with operational demand of the Company and relevant laws or regulations or the requirements of the competent authority. Where there are still remaining earnings, the Board of Directors may propose the distribution of the remaining earnings plus the undistributed earnings of the previous years in the earnings distribution proposal for approval in the shareholders' meeting.

2. For the stability of the future business and long-term sound financial structure to generate the maximum profits for shareholders, the distribution of shareholders' bonus adopts cash and stock dividends balance policy. The dividends shall not be less than 10% of the distributable earnings in the current year. However, where the accumulated distributable earnings is less than 10% of the paid-in capital, the Company may transfer them into retained earnings and choose not to distribute dividends. During the earnings distribution, the dividends paid in cash shall not be less than 10% of the total dividends distributed in the current year.

3. The legal reserve may not be used except to make up for the Company's losses and issuing new shares or cash in proportion to the original number of shares held by shareholders.

However, if new shares or cash are issued, it shall exceed 25% of the paid-up capital.

4. When the Company distributes earnings, the special reserve shall be set aside for the debit balance of other equity interest items on the balance sheet date of the current year according to laws and regulations before distribution. When the debit balance of other equity interest items is subsequently reversed, the amount of reversal may be included in the distribution available in earnings.
5. The 2022 earnings distribution proposal of the Company was approved by the shareholders' meeting on June 27, 2023 as follows:

	2022	
	Amount	Dividends per share (NTD)
Legal reserve	$ 28,401	
Cash dividends	141,267	$ 1.5
Total	$ 169,668	

(XX) Operating revenue

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Revenue from contracts with customers	$ 579,193	$ 743,593

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Revenue from contracts with customers	$ 1,168,934	$ 1,479,650

1. Breakdown of revenue from customer contracts

The Group's income is derived from the goods transferred at a certain point in time, and the income can be divided into the following main products:

From April 1 to June 30, 2024	Ball Screw	Linear Guide	Ball Spline	Others	Total
Revenue from contracts with customers	$ 351,235	$ 189,168	$ 33,828	$ 4,962	$ 579,193

From April 1 to June 30, 2023	Ball Screw	Linear Guide	Ball Spline	Others	Total
Revenue from contracts with customers	$ 472,456	$ 237,480	$ 30,270	$ 3,387	$ 743,593

From January 1 to June 30, 2024	Ball Screw	Linear Guide	Ball Spline	Others	Total
Revenue from contracts with customers	$ 732,106	$ 372,814	$ 54,979	$ 9,035	$ 1,168,934

From January 1 to June 30, 2023	Ball Screw	Linear Guide	Ball Spline	Others	Total
Revenue from contracts with customers	$ 952,581	$ 426,429	$ 86,008	$ 14,632	$ 1,479,650

2. Contract liabilities

   The contractual liabilities related to the contractual revenue recognized by the Group are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023	January 01, 2023
Contract liabilities - collections in advance	$ 1,231	$ 3,681	$ 8,801	$ 5,452

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

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Opening balance of contract liabilities recognized as income in current period		
Collections in advance	$ 1	$ 67

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Opening balance of contract liabilities recognized as income in current period		
Collections in advance	$ 2,912	$ 4,868

(XXI) Interest income

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Interest on bank deposits	$ 1,302	$ 1,847
Interest income with repurchase of bonds	285	-
Interest income from financial assets measured at amortized cost	60	53
Other interest income	4	15
	$ 1,651	$ 1,915

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Interest on bank deposits	$ 1,763	$ 2,230
Interest income with repurchase of bonds	683	-
Interest income from financial assets measured at amortized cost	297	97
Other interest income	6	18
	$ 2,749	$ 2,345

(XXII) Other income

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Grant income	$ 12,090	$ 635
Rental income	50	688
Dividend income	-	4,632
Other income - others	7,525	434
	$ 19,665	$ 6,389

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Grant income	$ 12,090	$ 657
Rental income	87	1,496
Dividend income	-	4,632
Other income - others	7,963	1,610
	$ 20,140	$ 8,395

(XXIII) Other gains and losses

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Foreign exchange gain (loss)	$ 20,975	($ 85,786)
Loss from disposal of property, plant and equipment	(64)	-
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(26)	(376)
Other losses	(5)	(43)
	$ 20,880	($ 86,205)

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Foreign exchange gain (loss)	$ 79,797	($ 70,415)
Loss (gain) on disposal of property, plant and equipment	216	291
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	-	(41)
Other losses	(27)	(47)
	$ 79,986	($ 70,212)

(XXIV) Finance costs

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Bank borrowing interest expense	$ 11,480	$ 11,490
Interest expense on lease liabilities	3,018	2,766
Corporate bond interest expense	3,433	3,345
	$ 17,931	$ 17,601

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Bank borrowing interest expense	$ 23,711	$ 21,466
Interest expense on lease liabilities	6,085	5,567
Corporate bond interest expense	6,865	6,832
	$ 36,661	$ 33,865

(XXV) Additional information on the nature of the expense

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Employee benefit expense	$ 135,940	$ 214,861
Depreciation expenses of property, plant and equipment	52,098	57,796
Right-of-use assets depreciation expense	11,526	10,727
Amortization expense of intangible assets	7,477	5,655
Operating lease rental expense	1,594	1,224
Expected credit loss or gain	(45,387)	(20,993)
	$ 163,248	$ 269,270

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Employee benefit expense	$ 282,439	$ 459,237
Depreciation expenses of property, plant and equipment	105,474	115,367
Right-of-use assets depreciation expense	23,786	21,013
Amortization expense of intangible assets	14,970	11,242
Operating lease rental expense	2,855	2,430
Expected credit loss (gain)	39,342	(32,090)
	$ 468,866	$ 577,199

(XXVI) Employee benefit expense

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Salary expenses	$ 112,238	$ 176,505
Labor and national health insurance expenses	13,688	21,733
Pension expense	4,904	7,046
Other personnel expenses	5,110	9,577
	$ 135,940	$ 214,861

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Salary expenses	$ 234,188	$ 382,263
Labor and national health insurance expenses	28,697	44,547
Pension expense	10,061	14,060
Other personnel expenses	9,493	18,367
	$ 282,439	$ 459,237

1. If the Company makes a profit in the year, it shall allocate at least 1% as remuneration to employees, which shall be distributed in shares or cash by resolution of the board of directors. The recipients of the payment may include employees of the controlling or subsidiaries The remuneration to directors and supervisors, not more than 5% of the amount of the above-mentioned profit, shall be set aside by resolution of the board of directors. The proposal for the distribution of remuneration to employees, directors and supervisors shall be submitted to the shareholders' meeting for reporting. However, if the Company has accumulated losses, it shall first reserve a certain amount for offsetting losses, then allocate funds for the employee bonuses and director and supervisor remuneration proportionally from the remaining amount based on the ratio indicated in the preceding paragraph.
2. The Company has estimated the remuneration to employees for April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023, as NT$0, (NT$6,000), NT$0, and NT$500, respectively; the remuneration to directors was NT$0, (NT$1,800), NT$0, and NT$200, respectively, and the aforementioned amounts are accounted for as salary expenses. 2023 was a loss, so employees' remuneration and directors' remuneration were not estimated.
3. Information on employees' and directors' remuneration approved by the Company's board of directors is available on the MOPS.

(XXVII) Income tax

1. Components of income tax expense (income):

(1) Components of income tax expense (income):

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Current income tax:		
Income tax arising from current income	$ 3,044	$ 19,489
Imposition on undistributed earnings	-	5,717
Overestimated income tax in previous years	(3,809)	(17,046)
Total income tax for the current period	(765)	8,160
Deferred income tax:		
The origin and reversal of the temporary difference	49,638	(28,818)
Total deferred income tax	49,638	(28,818)
Tax expense (income)	$ 48,873	($ 20,658)

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Current income tax:		
Income tax arising from current income	$ 5,492	$ 48,348
Imposition on undistributed earnings	-	5,717
Overestimated income tax in previous years	(3,705)	(12,771)
Total income tax for the current period	1,787	41,294
Deferred income tax:		
The origin and reversal of the temporary difference	(72,688)	(47,107)
Total deferred income tax	(72,688)	(47,107)
Tax income	($ 70,901)	($ 5,813)

(2) Amount of income tax related to other comprehensive income:

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Difference on translation of foreign operations	($ 189)	$ 1,363

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Difference on translation of foreign operations	$ 139	$ 1,172

2. The profit-seeking enterprise income tax of the Company and of TBI Motion has been approved by the tax authorities up to the year 2022 and 2021.

(XXVIII) Earnings (losses) per share

	From April 1 to June 30, 2024		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	(Loss) per share (NT$)
Basic (loss) per share			
Net (loss) for the period attributable to the ordinary shareholders of the parent company	($ 88,499)	95,159	($ 0.93)
Diluted (loss) per share			
Net (loss) for the period attributable to the ordinary shareholders of the parent company	($ 88,499)	95,159	
Effect of potentially dilutive ordinary shares			
Remuneration to employees	-	-	
Convertible corporate bonds	-	-	
Net (loss) for the period attributable to the ordinary shareholders of the parent company plus the effect of potential ordinary shares	($ 88,499)	95,159	($ 0.93)

	From April 1 to June 30, 2023		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	(Loss) per share (NT$)
Basic (loss) per share			
Net (loss) for the period attributable to the ordinary shareholders of the parent company	($ 30,846)	95,123	($ 0.32)
Diluted (loss) per share			
Net (loss) for the period attributable to the ordinary shareholders of the parent company	($ 30,846)	95,123	
Effect of potentially dilutive ordinary shares			
Remuneration to employees	-	-	
Convertible corporate bonds	-	-	
Net (loss) for the period attributable to the ordinary shareholders of the parent company plus the effect of potential ordinary shares	($ 30,846)	95,123	($ 0.32)

	From January 1 to June 30, 2024		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	(Loss) per share (NT$)
Basic (loss) per share			
Net (loss) for the period attributable to the ordinary shareholders of the parent company	($ 251,228)	95,159	($ 2.64)
Diluted (loss) per share			
Net (loss) for the period attributable to the ordinary shareholders of the parent company	($ 251,228)	95,159	
Effect of potentially dilutive ordinary shares			
Remuneration to employees	-	-	
Convertible corporate bonds	-	-	
Net (loss) for the period attributable to the ordinary shareholders of the parent company plus the effect of potential ordinary shares	($ 251,228)	95,159	($ 2.64)

	From January 1 to June 30, 2023		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net income for the period attributable to the common shareholders of the parent company	$ 9,605	94,729	$ 0.10
Diluted earnings per share			
Net income for the period attributable to the common shareholders of the parent company	$ 9,605	94,729	
Effect of potentially dilutive ordinary shares			
Remuneration to employees	-	163	
Convertible corporate bonds	-	-	
Net income attributable to the common shareholders of the parent company for the period plus the effect of potential common shares	$ 9,605	94,892	$ 0.10

(XXIX) Supplementary information on cash flow

1. Investment activities with only partial cash payment:

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Additions of property, plant and equipment	$ 31,706	$ 99,997
Add: Payables for equipment, beginning	4,200	16,685
Less: Payables for equipment, ending	(6,026)	(3,489)
Cash paid in current period	$ 29,880	$ 113,193

2. Financing activities that do not affect cash flow:

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Conversion of convertible bonds into share capital	$ -	$ 33,491
Announced but not yet distributed cash dividends	$ -	$ 141,267

(XXX) Changes in liabilities from financing activities

	January 01, 2024	Changes in cash flow	Non-cash changes	June 30, 2024
Short-term borrowings	$ 670,000	($ 340,000)	$ -	$ 330,000
Long-term borrowings	1,982,623	(107,246)	-	1,875,377
Lease liabilities	656,227	(20,626)	99,658	735,259
Guarantee deposits received	4,526	(4,326)	-	200
Total liabilities from financing activities	$ 3,313,376	($ 472,198)	$ 99,658	$ 2,940,836

	January 01, 2023	Changes in cash flow	Non-cash changes	June 30, 2023
Short-term borrowings	$ 10,000	$ 502,390	$ -	$ 512,390
Long-term borrowings	2,038,312	(11,703)	-	2,026,609
Lease liabilities	664,554	(17,132)	10,178	657,600
Total liabilities from financing activities	$ 2,712,866	$ 473,555	$ 10,178	$ 3,196,599

VII. Related party transactions

(I) Names of related parties and their relationship

Name of related party	Relationship with the Group
Li, Ching-Kung	Chairman of the Group
Li, Jin-Sheng	General manager of the Group

(II) Remuneration of key management personnel

	From April 1 to June 30, 2024		From April 1 to June 30, 2023	
Short-term employee benefits	$	2,230	$	183
Post-employment benefits		27		27
Total	$	2,257	$	210

	From January 1 to June 30, 2024		From January 1 to June 30, 2023	
Short-term employee benefits	$	5,325	$	5,433
Post-employment benefits		54		54
Total	$	5,379	$	5,487

(III) Others

The Group borrowed from financial institutions on June 30, 2024, December 31, 2023, and June 30, 2023, with Li, Ching-Kung and Li, Jin-Sheng serving as the joint guarantors. For June 30, 2024, the financing amount for the joint guarantees was NT$485,280, and the financing amount for the sole guarantee by Li, Ching-Kung was NT$2,075,377. For December 31, 2023 and June 30, 2023, the joint guarantees were NT$2,652,623 and NT$2,538,999, respectively.

VIII. Pledged assets

The details of the guarantees provided for the Group's assets are as follows:

	Book value						Purpose of guarantee
Assets	June 30, 2024		December 31, 2023		June 30, 2023		
Financial assets measured at amortized cost							
Pledged time deposit	$	30,000	$	30,000	$	30,000	Note 1
Property, plant and equipment							
Land		894,994		894,994		1,006,321	Note 2
Buildings		929,125		942,595		956,064	Note 2
Non-current assets held for sale		230,564		230,564		-	Note 2
	$	2,084,683	$	2,098,153	$	1,992,385	

Note 1: The performance bond of the Company.

Note 2: Long-term borrowings.

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Capital expenditures signed but not yet incurred

	June 30, 2024	December 31, 2023	June 30, 2023
Property, plant and equipment	$ 10,811	$ 11,346	$ 130,710

(II) The Group has opened an unused letter of credit for the purchase of materials

	June 30, 2024	December 31, 2023	June 30, 2023
Letter of credit issued but not used	$ 12,118	$ 24,434	$ 16,247

X. Losses from major disasters

No such situation.

XI. Material events after the reporting period

No such situation.

XII. Others

(I) Capital management

The goal of the Group's capital management is to ensure the continued operation of the Group, maintain the optimal capital structure to reduce the cost of capital, and provide returns for shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce liabilities. The Group uses the debt capital ratio to monitor its capital, which is calculated by dividing net debt by total capital.

The Group's strategy in 2024 remains the same as that in 2023. Please refer to the consolidated balance sheet and the Group's debt ratio as of June 30, 2023 and 2023.

(II) Financial instruments

1. Types of financial instruments

The Group's financial assets (cash and cash equivalents, financial assets at fair value through profit or loss, financial assets at amortized cost (current/non-current), net notes receivable, net accounts receivable, other receivables, financial assets at fair value through other comprehensive income - non-current, refundable deposits) and financial liabilities (short-term borrowings, notes payable, accounts payable, other payable, lease liabilities (current/non-current), long-term loans (including those due within one year), and guarantee deposits received), please refer to the Consolidated Balance Sheet and Note 6 for details.

2. Risk management policy

Risk management is carried out by the Group's Finance Department in accordance with the policies approved by the Board of Directors. The Finance Department of the Group works closely with various operating units within the Group to identify, evaluate and avoid financial risks. The Board of Directors has written principles for overall risk management, and also provides written policies for specific areas and matters, such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of surplus working capital.

3. Nature and extent of significant financial risk

(1) Market risk

Exchange rate risk

A. The Group operates in a multinational company, so it is subject to the exchange rate risk arising from transactions with the functional currency of the Company and its subsidiaries, which are mainly USD and RMB. The relevant exchange rate risk comes from future commercial transactions and recognized assets and liabilities.

B. The Group's business involves some non-functional currencies, therefore it is subject to exchange rate fluctuations. The assets and liabilities denominated in foreign currencies with significant exchange rate fluctuations are as follows:

	June 30, 2024		
(Foreign currency: functional currency)	Foreign currency (thousand)	Exchange rate	Carrying amount
Financial assets			
Monetary items			
USD: NTD	$ 4,325	32.4380	$ 140,294
JPY: NTD	190,422	0.2015	38,370
EUR: NTD	1,003	34.6930	34,797
RMB: NTD	1,695	4.4437	7,532
Financial liabilities			
Monetary items			
USD: NTD	34	32.4380	1,103
JPY: NTD	2,288	0.2015	461
EUR: NTD	136	34.6930	4,718

(Foreign currency: Functional currency)	December 31, 2023 Foreign currency (thousand)	Exchange rate	Carrying amount
Financial assets			
Monetary items			
USD: NTD	$ 3,669	30.7080	$ 112,668
JPY: NTD	13,390	0.2172	2,908
EUR: NTD	18	34.0070	612
RMB: NTD	5,917	4.3265	25,600
Financial liabilities			
Monetary items			
JPY: NTD	2,898	0.217	629
USD: NTD	10	30.7080	307

(Foreign currency: functional currency)	June 30, 2023 Foreign currency (thousand)	Exchange rate	Carrying amount
Financial assets			
Monetary items			
USD: NTD	$ 8,251	31.1400	$ 256,936
JPY: NTD	48,476	0.2150	10,422
EUR: NTD	1,195	33.7940	40,384
RMB: NTD	14,986	4.2838	64,197
Financial liabilities			
Monetary items			
JPY: NTD	45,187	0.2150	9,715
EUR: NTD	115	33.7940	3,886

C. Due to the significant impact of exchange rate fluctuations on monetary items of the Group, the aggregate amount of all exchange gains (losses)(including realized and unrealized) recognized in from April 1 to June 30, 2024 and 2023, and January 1 to June 30, 2024 and 2023, were NT$20,975, (NT$85,786), NT$79,797, and (NT$70,415), respectively.

D. The risk analysis of the Group's foreign currency market due to significant exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	From January 1 to June 30, 2024		
	Sensitivity analysis		
	Range of change	Effect on gains (losses)	Other comprehensive income (loss) affected
Financial assets			
Monetary items			
USD: NTD	1%	$ 1,122	$ -
JPY: NTD	1%	307	-
EUR: NTD	1%	278	-
RMB: NTD	1%	60	-
Financial liabilities			
Monetary items			
USD: NTD	1%	(9)	-
JPY: NTD	1%	(4)	-
EUR: NTD	1%	(38)	-

(Foreign currency: functional currency)	From January 1 to June 30, 2023		
	Sensitivity analysis		
	Range of change	Effect on gains (losses)	Other comprehensive income (loss) affected
Financial assets			
Monetary items			
USD: NTD	1%	$ 2,055	$ -
JPY: NTD	1%	83	-
EUR: NTD	1%	323	-
RMB: NTD	1%	514	-
Financial liabilities			
Monetary items			
JPY: NTD	1%	78	-
EUR: NTD	1%	31	-

Price risk

A. The Group's equity instruments exposed to price risk are financial assets held at fair value through other comprehensive income. To manage the price risk of equity instrument investment, the Group will diversify its investment portfolio, and the diversification method is based on the limit set by the Group.

B. The Group mainly invests in equity instruments issued by domestic companies, and the prices of these equity instruments will be affected by the uncertainty of the future value of the investment target. If the price of these equity instruments rises or falls by 1%, and all other factors remain unchanged, the net profit arising from the profit or loss of equity instruments measured at fair value through profit and loss increased or decreased by $0 and $1, respectively, from January 1 to June 30, 2024 and 2023; other comprehensive income decreased or increased by $711 and $770, respectively, due to the gain or loss of equity investments classified as at fair value through other comprehensive income.

<u>Cash flow and fair value interest rate risk</u>

A. The Group's interest rate risk mainly comes from the long-term and short-term loans issued at floating interest rates, which expose the Group to cash flow interest rate risk. From January 1 to June 30, 2024 and 2023, the Group's borrowings with floating interest rates were mainly denominated in NTD.

B. When the borrowing rate increases or decreases by 1%, and all other factors remain unchanged, the net income after tax from January 1 to June 30, 2024 and 2023 will decrease or increase by NT$17,643 and NT$20,312, respectively, due to changes.

(2) Credit risk

A. The Group's credit risk refers to the risk of financial loss due to the failure of customers or counterparties of financial instrument transactions to fulfill contractual obligations, mainly from the inability of counterparties to settle accounts receivable in accordance with the collection terms.

B. The Group establishes credit risk management from the group perspective. For banks and financial institutions, only institutions with good reputation and no recent major default records can be accepted as trading counterparts. According to the internal credit policy, for each new customer within the Group, management and credit risk analysis must be conducted before the establishment of payment and delivery terms and conditions. The internal risk control evaluates customers' credit quality by considering their financial status, past experience and other factors. The limits of individual risks are determined by the Board of Directors based on internal or external ratings, and the use of credit lines is regularly monitored.

C. According to the Group's credit risk management procedures, a default is deemed to have occurred when the contract amount is overdue for more than 180 days according to the agreed payment terms.

D. The Group classifies customers' accounts receivable according to geographical area, customer rating and trade credit risk characteristics and estimates expected credit losses based on the allowance matrix and loss rate method in a simplified manner.

E. The indicators used by the Group to determine that the debt instrument investment is subject to credit impairment are as follows:

(A) The issuer is in major financial difficulty, or the possibility of bankruptcy or other financial reorganization greatly increases;

(B) The issuer disappears from the active market for the financial assets due to financial difficulties;

(C) The issuer delays or fails to repay the interest or principal;

(D) Unfavorable changes in national or regional economic conditions that result in the issuer's default.

F. The Group will continue to pursue legal proceedings for the default of financial assets to preserve the rights of the creditor's right. After the recourse procedures, the amount of financial assets for which it is impossible to reasonably expect to be recoverable is written off.

G. The Group takes into account the consideration of future forward-looking and adjusts the loss rate based on historical and current information in a specific period to estimate the loss allowance for accounts receivable and non-performing loans. The provision matrix for June 30, 2024, December 31, 2023, and June 30, 2023 and loss ratio method is as follows:

June 30, 2024	Expected loss rate	Accounts receivable	Non-performing loans	Total carrying amount	Loss allowance
Not past due	0.03%	$ 251,096	$ -	$ 251,096	($ 3,755)
Within 30 days	0.03%	200,010	-	200,010	(4,968)
31 to 90 days	0.03%~15.47%	75,791	-	75,791	(11,398)
91 to 180 days	0.03%~68.21%	50,874	-	50,874	(23,099)
More than 181 days	100%	76,734	-	76,734	(76,734)
Individual assessment	100%	-	78,708	78,708	(78,708)
Total				$ 733,213	($ 198,662)

December 31, 2023	Expected loss rate	Accounts receivable	Non-performing loans	Total carrying amount	Loss allowance
Not past due	0.03%	$ 228,321	$ -	$ 228,321	($ 68)
Within 30 days	0.03%	109,954	-	109,954	(36)
31 to 90 days	0.03%~1.3%	160,152	-	160,152	(1,301)
91 to 180 days	6.29%~99.76%	169,317	-	169,317	(22,248)
More than 181 days	100%	59,428	-	59,428	(59,428)
Individual assessment	100%	-	74,510	74,510	(74,510)
Total				$ 801,682	($ 157,591)

June 30, 2023	Expected loss rate	Accounts receivable	Non-performing loans	Total carrying amount	Loss allowance
Not past due	0.03%	$ 348,723	$ -	$ 348,723	($ 95)
Within 30 days	0.04%~4.62%	347,045	-	347,045	(1,197)
31 to 90 days	0.06%~20.51%	116,499	-	116,499	(887)
91 to 180 days	0.12%~65.64%	77,891	-	77,891	(1,335)
More than 181 days	20.19%~100%	73,229	-	73,229	(54,672)
Individual assessment	100%	-	75,558	75,558	(75,558)
Total				$ 1,038,945	($ 133,744)

H. The Group's simplified statement of changes in the loss allowance on accounts receivable is as follows:

	2024		
	Accounts receivable	Non-performing loans	Total
January 1	$ 83,081	$ 74,510	$ 157,591
Provision for impairment loss	39,342	-	39,342
Exchange rate effect	(2,469)	4,198	1,729
June 30	$ 119,954	$ 78,708	$ 198,662

	2023		
	Accounts receivable	Non-performing loans	Total
January 1	$ 161,634	$ -	$ 161,634
Reversal of impairment loss	(32,090)	-	(32,090)
Reclassification	(75,558)	75,558	-
Exchange rate effect	4,200	-	4,200
June 30	$ 58,186	$ 75,558	$ 133,744

(3) Liquidity risk

A. Cash flow forecasting is carried out by each operating entity within the Group and compiled by the Group's Finance Department. The Finance Department of the Group monitors the forecast of the Group's working capital needs to ensure that it has sufficient funds to meet operating needs, and maintains a sufficient undrawn commitment limit at all times to prevent the Group from breaching the relevant borrowing limits or terms. The forecast considers the Group's debt financing plan, debt terms compliance, financial ratio targets in line with the internal balance sheet, etc.

B. The surplus cash held by each operating entity will be transferred back to the

Group's Finance Department when it exceeds the needs for working capital management. The Group's Finance Department, on the other hand, invests the remaining funds in interest-bearing demand deposits and time deposits with appropriate maturities or sufficient liquidity to provide sufficient levels in response to the above forecasts. As of June 30, 2024, December 31, 2023, and June 30, 2023, the Group held money market positions of NT$495,620, NT$612,044 and NT$743,633, respectively, and undrawn borrowing facilities of NT$1,644,955, $1,436,957 and $1,649,723, respectively, which are expected to generate cash flows to manage liquidity risk.

C. The Group's derivative financial liabilities and non-derivative financial liabilities are equivalent to the amounts listed in the consolidated balance sheet based on the remainder of the period from the balance sheet date to the contractual maturity date, except for those listed in the following table, which are all due within one year. The contractual cash flow disclosed is the undiscounted amount as follows:

Non-derivative financial liabilities:

June 30, 2024	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Lease liabilities	$ 36,120	$ 28,306	$ 77,033	$ 836,734	$ 978,193
Long-term borrowings (including those due within one year)	308,264	325,028	667,228	783,136	2,083,656

Non-derivative financial liabilities:

December 31, 2023	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Lease liabilities	$ 37,855	$ 25,901	$ 68,540	$ 741,389	$ 873,685
Long-term borrowings (including those due within one year)	272,106	328,536	741,568	860,203	2,202,413

Non-derivative financial liabilities:

June 30, 2023	Within 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
Lease liabilities	$ 31,711	$ 25,307	$ 67,530	$ 752,538	$ 877,086
Long-term borrowings (including those due within one year)	250,010	290,890	779,184	940,642	2,260,726

(III) Fair value information

1. The levels of valuation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: The quoted price (unadjusted) is available to the enterprise in an active market for the same assets or liabilities on the measurement date. An active market refers to a market with sufficient frequency and volume of transactions to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. All the equity instruments invested by the Group for which there is no active market belong to this category.

2. The Group's financial instruments not measured at fair value include cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable, other receivables, short-term and long-term borrowings, notes and accounts payable and other payables, for which their book values, are a reasonable approximation to the fair value.

3. The financial and non-financial instruments measured at fair value are classified according to the nature, characteristics, risks and fair value levels of the assets and liabilities. Relevant information is as follows:

(1) The Group's assets and liabilities are classified according to the nature. The relevant information is as follows:

June 30, 2024	Level 1	Level 2	Level 3	Total
Assets				
Repetitive fair value				
Financial assets measured at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 88,918	$ 88,918

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Repetitive fair value				
Financial assets measured at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 94,594	$ 94,594

June 30, 2023	Level 1	Level 2	Level 3	Total
Assets				
Repetitive fair value				
Financial assets at fair value through profit or loss - current				
Derivatives	$ -	$ 179	$ -	$ 179
Financial assets measured at fair value through other comprehensive income				
Equity securities	-	-	96,305	96,305
Total	$ -	$ 179	$ 96,305	$ 96,484

(2) The methods and assumptions used by the Group to measure fair value are as follows: When evaluating non-standardized and less complex financial instruments, such as debt instruments without an active market, interest rate swap contracts, foreign exchange contracts and options, the Group uses the evaluation techniques widely used by market participants. The parameters used by the valuation model of such financial instruments are usually market observable information.

4. There was no transfer between Level 1 and Level 2 from January 1 to June 30, 2024 and 2023.

5. There was no transfer into or out of Level 3 from January 1 to June 30, 2024 and 2023.

6. The valuation process of the Group's fair value classified as Level 3 is that the financial department entrusts an external professional appraisal institution to conduct independent fair value verification of financial instruments.

7. The quantitative information of the significant unobservable input value of the evaluation model used in the Level 3 fair value measurement and the sensitivity analysis of the significant unobservable input value changes are as follows:

	Fair value as of June 30, 2024	Valuation technique	Unobservable significant input	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Non-listed stocks	$ 88,918	Comparable Public Company Act	Discount for lack of market liquidity	19.54%	The higher the lack of market liquidity discount, the lower the fair value.

	Fair value as of December 31, 2023	Valuation technique	Unobservable significant input	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Non-listed stocks	$ 94,594	Comparable Public Company Act	Discount for lack of market liquidity	19.54%	The higher the lack of market liquidity discount, the lower the fair value.

	Fair value as of June 30, 2023	Valuation technique	Unobservable significant input	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Non-listed stocks	$ 96,305	Comparable Public Company Act	Discount for lack of market liquidity	21.68%	The higher the lack of market liquidity discount, the lower the fair value.

8. The external professional appraisal agency commissioned by the Group's Finance Department carefully evaluates the valuation model and valuation parameters selected; however, the use of different valuation models or valuation parameters may result in different evaluation results. For financial assets and financial liabilities classified as Level 3, if the valuation parameters change, the impact on the current profit and loss or other comprehensive income is as follows:

			June 30, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input value	Travel Variations	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instrument	Discount for lack of market liquidity	±1%	$ -	$ -	$ 889	($ 889)

			December 31, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input value	Travel Variations	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instrument	Discount for lack of market liquidity	±1%	$ -	$ -	$ 946	($ 946)

			June 30, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input value	Travel Variations	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instrument	Discount for lack of market liquidity	±1%	$ -	$ -	$ 963	($ 963)

XIII. Disclosures in notes

(I) Information on significant transactions

1. Loaning of funds to others: No such situation.

2. Endorsements/guarantees provided for others: No such situation.

3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures): Please refer to Table 1.

4. Accumulated purchase or sale of the same securities reaching NT$300 million or more than 20% of the paid-in capital: No such situation.

5. Acquisition of real estate for an amount over NT$300 million or 20% of the paid-in capital: None.

6. Disposal of real estate for an amount over NT$300 million or 20% of the paid-in capital: None.

7. Purchases or sales of goods from or to related parties reaching NT$100 million or 20 percent of paid-in capital or more: Please refer to Table 2.

8. Accounts receivable from related parties reaching NT$100 million or 20 percent of paid-in capital or more: Please refer to Table 3.

9. Engagement in derivative transactions: Please refer to Note 6(2).

10. Business relationships and important transactions between the parent company and its subsidiaries and among subsidiaries: Please refer to Table 4.

(II) Information on investees

The name and location of the investee company and other relevant information (excluding mainland China investee companies): Please refer to Table 5.

(III) Mainland China Investment Information

1. Basic information: Please refer to Table 6.

2. Significant transactions with investee companies in mainland China directly or indirectly through enterprises in a third region: Please refer to Table 7.

(IV) Information of major shareholders

Names of shareholders holding 5% or more of the Company's shares, number of shares held and percentage: Please refer to Table 8.

XIV. Operating segments information

(I) General information

The Group only operates in a single industry, and the Group's operating decision-maker has identified the Group as a reportable department based on the overall performance evaluation and resource allocation.

(II) Measurement of segment information

The Group's operating decision-maker evaluates the performance of operating segments based on the after-tax net profit. The measurement indicators are based on the revenue achievement rate, gross profit achievement rate, and net operating profit achievement rate. The status of excessive and short expenses is reviewed on a monthly basis to assess the rationality of resource consumption.

(III) Information on segment profits and losses, assets and liabilities

The information of the segments to be provided to the chief operating decision-maker is as follows:

From April 1 to June 30, 2024	Single operating department	Reconciliation and write-off	Total
External income	$ 579,193	$ -	$ 579,193
Internal department revenue	239,971	(239,971)	-
Segment revenue	$ 819,164	($ 239,971)	$ 579,193
Segment income	($ 88,499)	$ -	($ 88,499)

From April 1 to June 30, 2023	Single operating department	Reconciliation and write-off	Total
External income	$ 743,593	$ -	$ 743,593
Internal department revenue	906,818	(906,818)	-
Segment revenue	$ 1,650,411	($ 906,818)	$ 743,593
Segment income	($ 30,846)	$ -	($ 30,846)

From January 1 to June 30, 2024	Single operating department	Reconciliation and write-off	Total
External income	$ 1,168,934	$ -	$ 1,168,934
Internal department revenue	446,113	(446,113)	-
Segment revenue	$ 1,615,047	($ 446,113)	$ 1,168,934
Segment income	($ 251,228)	$ -	($ 251,228)

From January 1 to June 30, 2023	Single operating department	Reconciliation and write-off	Total
External income	$ 1,479,650	$ -	$ 1,479,650
Internal department revenue	1,846,035	(1,846,035)	-
Segment revenue	$ 3,325,685	($ 1,846,035)	$ 1,479,650
Segment income	$ 9,605	$ -	$ 9,605

(IV) Reconciliation of segment profit and loss

1. The Group has only a single reportable segment that provides external revenue and profit

information to the chief operating decision-maker. The amount in the consolidated statements of comprehensive income is measured in a consistent manner. The net profit of the Group's reportable segment is net profit after tax and does not need to be adjusted.

2. The Group has only a single reportable segment, the total assets and total liabilities provided to the chief operating decision-maker and the assets and liabilities of the consolidated balance sheet shall be measured in a consistent manner, and the assets and liabilities of the reportable segment are equal to the total assets and total liabilities, no adjustment is required.

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures)

June 30, 2024

Table 1

Unit: NT$ thousand

(unless otherwise specified)

				End of period				
Companies in possession	Type and name of marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	Presentation Account	Shares	Carrying amount (Note 3)	Percentage of shareholdings (%)	Fair value	Note
TBI Motion Technology Co., Ltd.	CHUAN DA TECHNOLOGY CO., LTD.	No	Financial assets measured at fair value through other comprehensive income - non-current	3,860,000	$ 88,918	19.30	$ 88,918	Note 4

Note 1: Marketable securities referred to in this table are stocks, bonds, beneficiary certificates and marketable securities derived from the above items that fall within the scope of IFRS 9 "Financial Instruments."

Note 2: If the securities issuer is not a related party, this column can be omitted.

Note 3: If the item is measured at fair value, please enter the book balance after adjustment for fair value valuation and deduction of accumulated impairment in the column of book value. For the item not measured at fair value, please specify the original acquisition cost or cost after amortization less carrying amount balance of accumulated impairment.

Note 4: The securities are not provided as collateral, pledged for loans, or other restricted uses as agreed.

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Purchases or sales of goods from or to related parties reaching NT$100 million or 20 percent of paid-in capital or more

From January 1 to June 30, 2024

Table 2

Unit: NT$ thousand

(unless otherwise specified)

			Transaction status				Circumstances and reasons for the difference between the transaction conditions and general transactions		Notes/Accounts Receivable (Payable)		
Purchase (sale) company	Name of counterparty	Relationship	Purchase (sale) goods	Amount	Percentage to total purchase (sales)	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable (payable)	Note
TBI Motion Technology Co., Ltd.	TBI Motion Technology (Suzhou) Co., Ltd.	Subsidiary	Sale of goods	($ 250,766)	(56.94%)	Within 120 days	Based on general sales and purchase prices and conditions	There is no significant difference in terms of payment from non-related parties	$ 2,163,573	92.57%	
TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	Subsidiary	Sale of goods	(194,559)	(44.17%)	Within 120 days	Based on general sales and purchase prices and conditions	There is no significant difference in terms of payment from non-related parties	170,835	7.29%	

Note: For the calculation of the transaction amount as a percentage of the parent company's revenue or asset ratio, if it is an asset or liability item, it is calculated as the ratio of the ending balance to the total individual It is calculated by the amount in the total purchase (sales) ratio.

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Accounts receivable from related parties reaching NT$100 million or 20 percent of paid-in capital or more.

June 30, 2024

Table 3

Unit: NT$ thousand

(unless otherwise specified)

Company with receivables booked	Name of counterparty	Relationship	Balance of receivables from related parties	Turnover rate (times)	Overdue receivables from related parties		Period of receivables from related parties	Amount of loss allowance
					Amount	Processing method	Amount recovered	
TBI Motion Technology Co., Ltd.	TBI Motion Technology (Suzhou) Co., Ltd.	Subsidiary	$ 2,163,573	0.21	$ 2,002,001	Active collection	$ 132,268	
TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	Subsidiary	170,835	2.36	33,523	-	50,708	

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Business relationships and important transactions between the parent company and its subsidiaries and among subsidiaries

From January 1 to June 30, 2024

Table 4

Unit: NT$ thousand

(unless otherwise specified)

Code (Note 1)	Trader's Name	Trading counterpart	Relationship with the counterparty (Note 2)	Transactions with each other: Account	Amount		Trading terms and conditions	As a percentage of consolidated total revenue or total assets (Note 3)
0	TBI Motion Technology Co., Ltd.	TBI Motion Technology (Suzhou) Co., Ltd.	1	Sales revenue	$	250,766	Based on general sales price and terms and conditions	21.45%
0	TBI Motion Technology Co., Ltd.	TBI Motion Technology (Suzhou) Co., Ltd.	1	Accounts receivable		2,163,573	"	30.66%
0	TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	1	Sales revenue		194,559	"	16.64%
0	TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	1	Accounts receivable		170,835	"	2.42%

Note 1: Information on business transactions between the parent company and its subsidiaries should be indicated in the numbered column. The number should be filled in as follows:

(1) Fill in "0" for parent company.

(2) Subsidiaries are numbered sequentially starting from 1 according to the company type.

Note 2: There are three types of relationship with the transaction party, and the type is sufficient (if it is the same transaction between the parent company and subsidiaries or between subsidiaries, it is not necessary to repeat the disclosure. For example, if the parent company has disclosed the transaction between the parent company and the subsidiary, there is no need to repeat the disclosure for the subsidiary.

For a subsidiary's transaction to another subsidiary, if one of the subsidiaries has disclosed the transaction, the other subsidiary is not required to repeat the disclosure):

(1) From parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: The ratio of the transaction amount to the total consolidated revenue or total assets is calculated. In the case of assets and liabilities, the calculation is based on the closing balance of the consolidated total assets; in the case of profit or loss, the calculation is based on the accumulated amount in the period to the consolidated total revenue calculation.

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

The name and location of the investee company and other relevant information (excluding mainland China investee companies)

From January 1 to June 30, 2024

Table 5

Unit: NT$ thousand

(unless otherwise specified)

Name of Investment Company	Name of investee (Note 1)	Location of the area	Main business items	Initial investment amount: End of current period	Initial investment amount: End of last year	Held at end of period: Shares	Held at end of period: Ratio	Held at end of period: Carrying amount	Investee profit or loss for the period	Investment gains and losses recognized in the current period	Note
TBI Motion Technology Co., Ltd.	TBI Motion Technology (USA) LLC.	U.S.	Sale of precision transmission components for the automated industry	$ 63,431	$ 31,090	20,000	100%	$ 32,514	($ 7,174)	($ 7,174)	Note 2
TBI Motion Technology Co., Ltd.	TBI Motion Technology (HK) LTD.	Hong Kong	Holding company for overseas enterprises	170,630	170,630	60,000	100%	(348,394)	(232,090)	(232,090)	Note 3
TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	Taiwan	Sale of precision transmission components for the automated industry	2,000	2,000	3,927,865	100%	73,265	22,798	22,798	Note 4
								$ (242,615)	$ (216,466)	$ (216,466)	

Note 1: Invested companies recognized under the equity method.

Note 2: The investment gains and losses recognized in the current period exclude the realized gain on sales of downstream transactions of NT$351.

Note 3: The investment gains and losses recognized in the current period exclude the realized gain on sales of downstream transactions of NT$85,947.

Note 4: The investment gains and losses recognized in the current period exclude the unrealized sales loss of downstream transactions of NT$380.

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Mainland China Investment Information -Basic information

From January 1 to June 30, 2024

Table 6

Unit: NT$ thousand

(unless otherwise specified)

Name of investee company in Mainland China	Main business items	Paid-up Capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of current period	Investment amount remitted or recovered in the current period		Accumulated investment amount remitted from Taiwan at the end of the period	Investee profit or loss for the period	The Company's shareholding ratio in direct or indirect investments	Investment gains and losses recognized in the current period	Carrying amount of investment at the end of the period	Repatriated investment income up to the current period	Note
					Outward remittance	Recovered							
TBI Motion Technology (Suzhou) Co., Ltd.	Sale of precision transmission components for the automated industry	$ 164,428	Note 1	$ 164,428	$ -	$ -	$ 164,428	($ 232,088)	100%	($ 146,141)	($ 354,862)	$ -	Note 2, 6

Company Name	Accumulated amount of remittance from Taiwan to Mainland China at the end of the period	Amount of investment approved by the Investment Commission, Ministry of Economic Affairs	The limit on investment in Mainland China stipulated by the Investment Commission of the Ministry of Economic Affairs	Note
TBI Motion Technology Co., Ltd.	$ 164,428	$ 164,428	$ 1,801,186	Note 4

Note 1: Reinvest in China through reinvestment in TBI Motion Technology (HK) LTD.

Note 2: Gains and losses recognized in the financial statements reviewed by the parent company's CPAs.

Note 3: The book value of the investment at the end of the period is the investment income and the balance of the long-term equity investment stated in the account of the disclosed investment company.

Note 4: According to the amendments to the "Regulations Governing the Permit of Investment or Technical Cooperation in Mainland China" and the "Principle for Review of Investment or Technical Cooperation in Mainland China" announced by the Investment Commission of the Ministry of Economic Affairs on August 29, 2008, investors (not belonging to individual and small and medium enterprises) who invest in Mainland China, the cumulative investment amount is limited to 60% of the net amount or the consolidated net worth, whichever is greater.

Note 5: The figures in this table should be presented in NTD. The assets and liabilities accounts: RMB is calculated as RMB 1: NTD 4,4437; US dollars is calculated as USD 1: NTD 32,438.

Profit and loss account: RMB is calculated as RMB 1: NTD 4.4141; USD is USD 1: NTD 31.9108.

Note 6: The investment gains and losses recognized in the current period exclude the realized gain on sales of downstream transactions of NT$85,947.

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Mainland China Investment Information - Significant transactions with investee companies in mainland China directly or indirectly through enterprises in a third region

From January 1 to June 30, 2024

Table 7

Unit: NT$ thousand

(unless otherwise specified)

Name of investee company in Mainland China	Sales (purchase)		Property transactions		Accounts receivable (payable)		Guarantee or endorsement of bills		Capital financing				Technical service income
	Amount	%	Amount	%	Balance	%	Closing balance	Purpose	Maximum balance	Closing balance	Interest rate range	Current interest	
TBI Motion Technology (Suzhou) Co., Ltd.	$ 250,766	56.94%	$ -	-	$ 2,163,573	92.57%	$ -	-	$ -	$ -	-	$ -	$ 491

Note: For the calculation of the transaction amount as a percentage of the parent company's revenue or asset ratio, if it is an asset or liability item, it is calculated as the ratio of the ending balance to the total individual It is calculated by the amount in the total purchase (sales) ratio.

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Information of major shareholders

June 30, 2024

Table 8

Name of major shareholders	Shares	
	Number of Shares Held	Percentage of shareholdings
Ding Jie Investment Co., Ltd.	6,950,000	7.30%
Te Yi Investment Co., Ltd.	5,735,000	6.02%