

Stock Code:3563

**MACHVISION INC. CO., LTD.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2022 and 2021**

**Address: No. 2-3, Gongye East 2nd Road, Hsinchu Science Park,
Hsinchu 30075, Taiwan, R.O.C**
Telephone: (03)563-8599

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Machvision Inc. Co., Ltd.:

Introduction

We have reviewed the accompanying consolidated balance sheets of Machvision Inc. Co., Ltd. and its subsidiaries as of June 30, 2022 and 2021, the related consolidated statements of comprehensive income for the three months ended June 30, 2022 and 2021, and for the six months ended June 30, 2022 and 2021, and the related consolidated statements of changes in equity and cash flows for the six months ended June 30, 2022 and 2021, 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, R.O.C. Our responsibility is to express a conclusion on the consolidated financial statements base on our review.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, the review is conducted in accordance with Statement of Auditing Standard 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the 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 conducted in accordance with the generally accepted auditing standards 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. Therefore, we do not express an audit opinion.

Basis for Qualified Conclusion

As mentioned in note 4 (b) the non-significant subsidiaries of the consolidated financial reports were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors; the total amount of assets was \$799,739 thousand and \$585,666 thousand respectively, accounting for 17% and 14% of the total consolidated assets respectively; the total liabilities were \$100,468 thousand and \$77,357 thousand respectively, accounting for 6% and 5% of the total consolidated liabilities; the consolidated profits and losses for the three months and the six months ended June 30, 2022 and 2021, were \$10,010 thousand, \$(15,663) thousand, \$10,686 thousand, and \$(39,390) thousand respectively, accounting for 6%, (8)%, 3%, and (10)% of the consolidated profit and loss respectively.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified

Conclusion paragraph above been reviewed by independent auditors, based on our review report, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Machvision Inc. Co., Ltd. and its subsidiaries as of June 30, 2022 and 2021, and of its consolidated financial performance for the three months ended June 30, 2022 and 2021, and for the six months ended June 30, 2022 and 2021, and its consolidated cash flows for the six months ended June 30, 2022 and 2021 in line with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting", as endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG

Taipei, Taiwan (Republic of China)

August 3, 2022

Notice to Readers

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

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

Reviewed only, not audited in accordance with the generally accepted auditing standards

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

(In Thousands of New Taiwan Dollars)

Assets	June 30, 2022		December 31, 2021		June 30, 2021	
	Amount	%	Amount	%	Amount	%
Current assets:						
Cash and cash equivalents (note 6(a))	\$ 2,216,812	48	1,976,971	44	1,723,766	41
Notes receivable (note 6(b) and (o))	25,370	1	36,838	1	25,752	1
Accounts receivable, net (note 6(b) and (o))	1,145,431	25	1,334,010	30	1,398,186	33
Inventories (note 6(c))	399,012	9	399,459	9	372,051	9
Prepayments	14,091	-	9,573	-	9,124	-
Other current assets	<u>7,295</u>	<u>-</u>	<u>2,509</u>	<u>-</u>	<u>8,909</u>	<u>-</u>
Total current assets	<u>3,808,011</u>	<u>83</u>	<u>3,759,360</u>	<u>84</u>	<u>3,537,788</u>	<u>84</u>
Non-current assets:						
Financial assets at fair value through profit or loss—non current (note 6(d))	15,744	-	15,744	-	10,744	-
Property, plant and equipment (note 6(e))	257,239	6	267,020	6	263,188	6
Right-of-use assets (note 6(f))	260,218	6	263,364	6	164,173	4
Intangible assets (note 6(g))	-	-	-	-	28	-
Deferred income tax assets	46,993	1	46,993	1	57,564	1
Refundable deposits	21,924	-	12,923	-	10,499	-
Long-term receivables (note 6(b) and (o))	168,922	4	132,127	3	144,294	4
Other non-current assets (note 8)	<u>11,585</u>	<u>-</u>	<u>11,551</u>	<u>-</u>	<u>21,822</u>	<u>1</u>
Total non-current assets	<u>782,625</u>	<u>17</u>	<u>749,722</u>	<u>16</u>	<u>672,312</u>	<u>16</u>
Total assets	<u><u>\$ 4,590,636</u></u>	<u><u>100</u></u>	<u><u>4,509,082</u></u>	<u><u>100</u></u>	<u><u>4,210,100</u></u>	<u><u>100</u></u>

Liabilities and Equity	June 30, 2022		December 31, 2021		June 30, 2021	
	Amount	%	Amount	%	Amount	%
Current liabilities:						
Current contract liabilities (note 6(p))	\$ 52,757	1	93,904	2	37,314	1
Notes payable	141	-	116	-	5,849	-
Accounts payable	289,230	6	302,585	7	301,799	7
Other payables (note 6(q))	354,044	8	352,386	8	332,070	9
Dividend payable (note 6(n))	447,282	10	89,457	2	402,554	10
Current tax liabilities	82,290	2	196,881	4	99,879	2
Provisions (note 6(j))	15,660	-	16,556	-	14,730	-
Lease liabilities (note 6(i))	16,497	-	16,638	-	15,983	-
Deferred revenue (note 6(k))	681	-	990	-	1,048	-
Current portion of long-term borrowings (note 6(k))	36,042	1	27,500	1	24,167	1
Other current liabilities	<u>21,118</u>	<u>1</u>	<u>17,218</u>	<u>-</u>	<u>12,516</u>	<u>-</u>
Total current liabilities	<u>1,315,742</u>	<u>29</u>	<u>1,114,231</u>	<u>24</u>	<u>1,247,909</u>	<u>30</u>
Non-Current liabilities:						
Long-term borrowings (note 6(k))	152,796	3	173,190	4	187,235	4
Lease liabilities – non-current (note 6(i))	248,008	6	250,300	6	149,756	4
Long-term deferred revenue (note 6(k))	689	-	1,445	-	1,925	-
Net defined benefit liabilities – non-current	<u>11,692</u>	<u>-</u>	<u>11,692</u>	<u>-</u>	<u>11,286</u>	<u>-</u>
Total non-current liabilities	<u>413,185</u>	<u>9</u>	<u>436,627</u>	<u>10</u>	<u>350,202</u>	<u>8</u>
Total liabilities	<u>1,728,927</u>	<u>38</u>	<u>1,550,858</u>	<u>34</u>	<u>1,598,111</u>	<u>38</u>
Equity attributable to shareholders of the company (note 6(n)):						
Share capital	<u>447,282</u>	<u>10</u>	<u>447,282</u>	<u>10</u>	<u>447,282</u>	<u>11</u>
Capital surplus:						
Additional paid-in capital arising from ordinary share	121,003	3	165,731	4	165,731	4
Number of changes in recognition of ownership rights and interests of subsidiaries	-	-	-	-	4	-
Capital surplus, others	<u>31</u>	<u>-</u>	<u>28</u>	<u>-</u>	<u>28</u>	<u>-</u>
	<u>121,034</u>	<u>3</u>	<u>165,759</u>	<u>4</u>	<u>165,763</u>	<u>4</u>
Retained earnings:						
Legal reserve	543,616	12	501,410	11	438,263	10
Special reserve	4,198	-	3,694	-	3,791	-
Unappropriated retained earnings	<u>1,641,763</u>	<u>35</u>	<u>1,738,098</u>	<u>39</u>	<u>1,468,552</u>	<u>35</u>
	<u>2,189,577</u>	<u>47</u>	<u>2,243,202</u>	<u>50</u>	<u>1,910,606</u>	<u>45</u>
Other equity interest:						
Exchange differences on translation of foreign financial statements	(4,003)	-	(4,198)	-	(3,694)	-
Equity attributable to the parent company	<u>2,753,890</u>	<u>60</u>	<u>2,852,045</u>	<u>64</u>	<u>2,519,957</u>	<u>60</u>
Non-controlling interests	<u>107,819</u>	<u>2</u>	<u>106,179</u>	<u>2</u>	<u>92,032</u>	<u>2</u>
Total Equity	<u>2,861,709</u>	<u>62</u>	<u>2,958,224</u>	<u>66</u>	<u>2,611,989</u>	<u>62</u>
Total liabilities and equity	<u><u>\$4,590,636</u></u>	<u><u>100</u></u>	<u><u>4,509,082</u></u>	<u><u>100</u></u>	<u><u>\$4,210,100</u></u>	<u><u>100</u></u>

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with the generally accepted auditing standards

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

(In Thousands of New Taiwan Dollars, Except for Earning Per Common Share)

	For the three months ended June 30				For the six months ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Operating revenue (note 6(o))	\$ 549,539	100	715,360	100	1,160,908	100	1,403,993	100
Operating costs (notes 6(c), 6(e), 6(f), 6(h), 6(k), 6(n) and 7)	240,343	44	285,291	40	494,605	43	537,330	38
Gross profit	309,196	56	430,069	60	666,303	57	866,663	62
Operating expenses (notes 6(b), 6(e), 6(f), 6(h), 6(k), 6(n) and 7)								
Selling expenses	58,791	11	65,683	9	127,786	11	128,719	9
Administrative expenses	28,254	5	28,032	4	57,947	5	55,456	4
Research and development expenses	51,219	9	61,589	9	120,421	10	138,695	10
Expected credit impairment loss (gain)	(16,279)	(3)	475	-	(11,110)	(1)	1,350	-
Total operating expenses	121,985	22	155,779	22	295,044	25	324,220	23
Net operating income	187,211	34	274,290	38	371,259	32	542,443	39
Non-operating income and expenses (notes 6(h) and 6(q))								
Interest income	1,064	-	784	-	1,716	-	1,365	-
Other income	2,442	-	1,546	-	3,238	-	2,427	-
Other gains and losses	21,771	4	(31,040)	(4)	63,099	5	(34,670)	(3)
Finance costs	(1,472)	-	(1,022)	-	(2,935)	-	(1,836)	-
Total non-operating income and expenses	23,805	4	(29,732)	(4)	65,118	5	(32,714)	(3)
Profit before income tax from continuing operations	211,016	38	244,558	34	436,377	37	509,729	36
Less: Income tax expense (note 6(l))	41,258	7	58,589	8	85,452	7	110,638	8
Net Profit for The Period from operations	169,758	31	185,969	26	350,925	30	399,091	28
Other Comprehensive Income:								
Items that may be reclassified subsequently to profit or loss								
Exchange Differences on Translation of Foreign Financial Statements	(346)	-	1	-	245	-	(188)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
	(346)	-	1	-	245	-	(188)	-
Other comprehensive income for the period	(346)	-	1	-	245	-	(188)	-
Total comprehensive income for the period	\$ 169,412	31	185,970	26	351,170	30	398,903	28
Net income attribute to:								
Owners of the parent company	\$ 167,019	31	188,941	26	348,929	30	403,979	28
Non-controlling interests	2,739	-	(2,972)	-	1,996	-	(4,888)	-
	\$ 169,758	31	185,969	26	350,925	30	399,091	28
Total comprehensive income attributed to:								
Owners of the parent company	\$ 166,706	30	188,952	26	349,124	30	403,799	28
Non-controlling interests	(2,706)	1	(2,982)	-	2,046	-	(4,896)	-
	\$ 169,412	31	185,970	26	351,170	30	398,903	28
Earnings Per Share (note 6(n))								
Basic earning per shares (Units: New Taiwan dollars)	\$ 3.73		4.22		7.80		9.03	
Diluted earning per shares (Units: New Taiwan dollars)	\$ 3.71		4.21		7.74		8.99	

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with the generally accepted auditing standards

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent						Other equity Exchange differences on translation of foreign financial statements	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Retained earnings									
	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriate earnings	Total				
Balance at January 1, 2021	\$ 447,282	568,312	438,263	3,791	1,064,573	1,506,627	(3,514)	2,518,707	89,023	2,607,730
Cash dividends by capital surplus	-	(402,554)	-	-	-	-	-	(402,554)	-	(402,554)
Other changes in capital surplus	-	5	-	-	-	-	-	5	-	5
Profit(loss) for the period	-	-	-	-	403,979	403,979	-	403,979	(4,888)	399,091
Other comprehensive income for the period	-	-	-	-	-	-	(180)	(180)	(8)	(188)
Total comprehensive income for the period	-	-	-	-	403,979	403,979	(180)	403,799	(4,896)	398,903
Changes in non-controlling interests	-	-	-	-	-	-	-	-	7,905	7,905
Balance at June 30, 2021	<u>\$ 447,282</u>	<u>165,763</u>	<u>438,263</u>	<u>3,791</u>	<u>1,468,552</u>	<u>1,910,606</u>	<u>(3,694)</u>	<u>2,519,957</u>	<u>92,032</u>	<u>2,611,989</u>
Balance at January 1, 2022	\$ 447,282	165,759	501,410	3,694	1,738,098	2,243,202	(4,198)	2,852,045	106,179	2,958,224
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	42,206	-	(42,206)	-	-	-	-	-
Special reserve appropriated	-	-	-	504	(504)	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(402,554)	(402,554)	-	(402,554)	-	(402,554)
Cash dividends by capital surplus	-	(44,728)	-	-	-	-	-	(44,728)	-	(44,728)
Other changes in capital surplus	-	3	-	-	-	-	-	3	-	3
Profit for the period	-	-	-	-	348,929	348,929	-	348,929	1,996	350,925
Other comprehensive income for the period	-	-	-	-	-	-	195	195	50	245
Total comprehensive income for the period	-	-	-	-	348,929	348,929	195	349,124	2,046	351,170
Decrease on non-controlling interests	-	-	-	-	-	-	-	-	(406)	(406)
Balance at June 30, 2022	<u>\$ 447,282</u>	<u>121,034</u>	<u>543,616</u>	<u>4,198</u>	<u>1,641,763</u>	<u>2,189,577</u>	<u>(4,003)</u>	<u>2,753,890</u>	<u>107,819</u>	<u>2,861,709</u>

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with the generally accepted auditing standards

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(In Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2022	2021
Cash flows from operating activities		
Profit before tax	\$ 436,377	509,729
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	21,582	18,570
Amortization expense	-	55
Expected credit impairment loss(gain)	(11,110)	1,350
Interest expense	2,935	1,836
Interest income	(1,716)	(1,365)
Dividend income	-	(171)
Losses on disposal of property, plant and equipment	61	26
Resulting gain from lease modification	-	(20)
Total adjustments to reconcile profit	<u>11,752</u>	<u>20,281</u>
Changes in operating assets and liabilities		
Changes in operating assets, net		
Notes receivable	11,468	(10,468)
Accounts receivable(including long-term accounts receivable)	162,795	(292,484)
Inventories	(601)	(8,582)
Prepayments	(4,518)	(1,881)
Other current assets	<u>(5,034)</u>	<u>(1,615)</u>
Total changes in operating assets, net	<u>164,110</u>	<u>(311,800)</u>
Changes in operating liabilities, net		
Contract liabilities	(41,147)	5,429
Notes payable	25	5,633
Accounts payable	(13,355)	56,266
Other payables	1,723	12,906
Provisions liabilities	(896)	1,288
Other current liabilities	<u>3,900</u>	<u>2,834</u>
Total changes in operating liabilities, net	<u>(49,750)</u>	<u>84,356</u>
Total changes in operating assets and liabilities, net	<u>114,360</u>	<u>(227,444)</u>
Total adjustments	<u>126,112</u>	<u>(207,163)</u>
Cash inflows generated from operations	562,489	302,566
Interest received	1,815	1,372
Income taxes paid	<u>(200,043)</u>	<u>(182,419)</u>
Net cash flow from operating activities	<u>364,261</u>	<u>121,519</u>
Cash flow used in investing activities		
Acquisition of property, plant and equipment	(2,716)	(5,030)
Decrease (increase) in guarantee deposits paid	(9,001)	1,373
Increase in other non-current assets	(34)	(5,526)
Dividends received	-	171
Net cash flows used in investing activities	<u>(11,751)</u>	<u>(9,012)</u>
Cash flows from financing activities		
Repayment of long-term borrowings	(12,917)	(5,625)
Payment of lease liabilities	(4,944)	(5,117)
Cash dividends	(89,457)	-
Interest paid	(4,989)	(2,394)
Changes in non controlling interests	-	7,905
Surplus not paid due to overdue	<u>3</u>	<u>5</u>
Net cash flows used in financing activities	<u>(112,304)</u>	<u>(5,226)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(365)</u>	<u>(122)</u>
Increase in cash and cash equivalents for the period	<u>239,841</u>	<u>107,159</u>
Cash and cash equivalents at the beginning of the period	<u>1,976,971</u>	<u>1,616,607</u>
Cash and cash equivalents at the end of the period	<u><u>\$ 2,216,812</u></u>	<u><u>1,723,766</u></u>

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with the generally accepted auditing standards

MACHVISION INC. CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the six months ended June 30, 2022 and 2021

(In Thousands of New Taiwan Dollars)

(1) History and organization

MACHVISION INC. CO., LTD. (the Company) was incorporated in June 9, 1998 as a company limited by shares under the laws of (ROC). The address of the Company's registered office is No. 2-3, Gongye East 2nd Road, Hsinchu Science Park, Hsinchu 30075, Taiwan, R.O.C. The consolidated entities in the consolidated financial statements dated June 30, 2022 include the Company and its subsidiaries (the Group). The Group is mainly engaged in the manufacturing and trading of optical inspection machinery equipment.

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors and published on August 3, 2022.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 "Property, Plant and Equipment—Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contract—Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018—2020
- Amendments to IAS 3 "Reference to the Conceptual Framework"

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period from January 1, 2023, would not have a significant impact on its consolidated financial statement:

- Amendments to IAS 1 "Disclosure of Accounting Policies" January 1, 2023
- Amendments to IAS 8 "Definition of Accounting Estimates" January 1, 2023
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements.

(4) Summary of significant accounting policies

Except as described below, the summary statement of the significant accounting policies for this consolidated financial report is the same as the consolidated financial report for 2021, related information please refer to the note 4 from consolidated financial statements of 2021.

- (a) Statement of compliance

This consolidated financial report is prepared in line with the guidelines for the preparation of financial reports of issuers of securities (hereinafter referred to as "The Preparation of Guidelines") and the International Accounting Standards 34, about "Interim Financial Reports", which are approved and issued in force by the FSC. This consolidated financial report does not include all the necessary information to be disclosed in the entire annual consolidated financial report prepared in accordance with the international Financial Reporting Standards, International Accounting Standards, Interpretation and Interpretation notices (hereinafter referred to as the "International Financial Reporting Standards approved by the FSC"), which are approved and issued in force by the FSC.

- (b) Basis of consolidation

- (i) Principles of preparation of consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

(ii) List of subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements are as follows:

Investor	Subsidiary	Nature of business	Percentage of ownership			Notes
			June 30, 2022	December 31, 2021	June 30, 2021	
The Company	Machvision Inc.	Investment	100.00%	100.00%	100.00%	
The Company	Autovision Technology Inc.	Manufacturing of computer peripheral products	45.00%	45.00%	45.00%	1
The Company	Sigold Optics Inc.	Manufacturing of machinery equipment	49.47%	49.47%	49.47%	2
The Company	ChipAI Co., LTD.	Manufacturing of computer peripheral products	-%	90.00%	90.00%	3
The Company	Machvision Korea Co., Ltd.	Maintaining and trading of machinery equipment	100.00%	100.00%	100.00%	
The Company	Avountes Inc.	Electronic Information Supply Services	45.00%	45.00%	45.00%	4&5
The Company	SISSCA Co.,Ltd.	Manufacturing of computer peripheral products	36.30%	36.30%	-%	6
Machvision Inc. (Samoa)	Machvision (Dongguan) Inc.	Maintaining and trading of machinery equipment	100.00%	100.00%	100.00%	
Machvision (Dongguan) Inc.	Dongguan muxin intelligent equipment Co., Ltd.	Maintaining and trading of machinery equipment	51.00%	51.00%	51.00%	
Sigold Optics Inc.	SISSCA Co.,Ltd.	Manufacturing of computer peripheral products	43.30%	43.30%	70.00%	6

Note 1: The Company holds 45% of the ownership of Autovision Technology Inc. However, it remains to be a subsidiary since the Company retains control of its financial and operational policy decision.

Note 2: The Company holds 49.47% of the ownership of Sigold Optics Inc. However, it remains to be a subsidiary since the Company retains control of its financial and operational policy decision.

Note 3: The subsidiary was liquidated on June 30, 2022. The liquidation was passed by the board of shareholders on June 30, 2022.

Note 4: The Company holds 45% of the ownership of Avountes Inc. However, it remains to be a subsidiary since the Company retains control of its financial and operational policy decision.

Note 5: Integrating the Group's resources, lowering costs and improving work efficiency. RedPay has been merged by Avountes in stock swap way. Avountes will generally assume all rights and obligations of RedPay. The merger record date is March 5, 2021 and the registration has been changed on April 15, 2021.

Note 6: On July 30, 2021, the board of directors of Sissca Co., Ltd. approved a resolution for a capital increase by cash amounting to \$89,000 thousand, resulting in the increase of the investments of the Company and Sigold Optics Inc. by \$36,295 thousand and \$35,600 thousand, respectively. Since the Group did not acquire these new common shares proportionally, there was a change in the Group's investment percentage and equity in net assets, wherein the difference was adjusted by crediting the capital surplus in the amount of \$4 thousand and the retained earnings amounting to \$1,316 thousand.

Note 7: The subsidiaries are not significant subsidiaries, their financial statements have not been reviewed.

(c) Employee benefits

In the interim, the benefit scheme pension department uses the previous year's reporting date to determine the pension cost rate on an actuarial basis, based on the end of the reclassified period at the beginning of the year, and to adjust for major market fluctuations, major downsizing, liquidation or other major one-off matters.

(d) Income tax

The Group is measured and exposed for income tax expenses during the interim period in line with the paragraph B12 of interim financial report of the International Accounting Standards bulletin No. 34.

The income tax fee is in order to multiply the pre-tax net profit by the management during the reporting period by the best estimated street volume of the expected effective tax rate for the whole year, and is fully recognized as the current income tax fee.

The income tax fee, which is directly recognized as an equity item or other consolidated profit and loss item, is a temporary difference between the carrying amount of the relevant assets and liabilities for the purpose of reporting and its tax base, which is measured by the applicable tax rate at the time of expected realization or liquidation.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

Management shall, in accordance with the preparation criteria and the interim financial report of IAS34 as approved by the FSC, make judgments, estimates and assumptions in the preparation of the consolidated financial reports, which will have an impact on the adoption of accounting policies and the amount of assets, liabilities, benefits and expenses reported. Actual results may differ from estimates.

In the preparation of consolidated financial reports, the management adopts the uncertainty of significant judgment and estimation of the consolidation of corporate accounting policies, the main source of which is consistent with the consolidated Financial Report Note 5 of 2021.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	June 30, 2022	December 31, 2021	June 30, 2021
Cash on hand	\$ 1,304	1,675	1,617
Saving deposits	1,861,611	1,062,453	1,315,243
Checking deposits	-	-	5,501
Foreign currency deposits	180,380	132,055	83,083
Time deposits	173,517	780,788	318,322
Cash and cash equivalents per statements of cash flow	<u>\$ 2,216,812</u>	<u>1,976,971</u>	<u>1,723,766</u>

The expiry date of three months to a year on deposit satisfy the highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in

value, and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes.

Please refer to note 6(r) for the interest rate risk and the fair value sensitivity analysis of the financial assets and liabilities of the Group.

(b) Notes, accounts and long-term accounts receivable

	June 30, 2022	December 31, 2021	June 30, 2021
Notes receivable	\$ 25,370	36,838	25,752
Accounts receivable	1,169,863	1,369,472	1,471,937
Long-term accounts receivable	169,123	132,229	144,542
Less: allowance for impairment	24,432	35,462	73,751
unrealized interest income	201	102	248
	<u>\$ 1,339,723</u>	<u>1,502,975</u>	<u>1,568,232</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected credit loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward-looking information, including macroeconomic and relevant industry information. The expected credit losses were determined as follows:

	June 30, 2022		
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	\$ 991,794	0.00720%	71
1 to 90 days past due	269,441	0.38080%	1,026
91 to 180 days past due	55,367	1.48460%	822
181 to 270 days past due	17,846	7.01560%	1,252
271 to 365 days past due	13,640	38.07920%	5,194
Past due over 365 days	16,067	100.0000%	16,067
	<u>\$ 1,364,155</u>		<u>24,432</u>

	December 31, 2021		
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	\$ 1,205,654	0.0071%	85
1 to 90 days past due	130,954	0.3856%	505
91 to 180 days past due	144,831	1.9402%	2,810
181 to 270 days past due	18,580	5.4841%	1,019
271 to 365 days past due	14,503	49.1485%	7,128
Past due over 365 days	23,915	100.0000%	23,915
	<u>\$ 1,538,437</u>		<u>35,462</u>

	June 30, 2021		
	Gross carrying amount	Weighted-average expected credit loss rate	Loss allowance provision
Current	\$ 1,326,443	0.0055%	73
1 to 90 days past due	147,633	0.4169%	616
91 to 180 days past due	43,307	1.6946%	734
181 to 270 days past due	37,617	6.1417%	2,310
271 to 365 days past due	28,884	41.2637%	11,919
Past due over 365 days	58,099	100.0000%	58,099
	\$ 1,641,983		73,751

The movement in the allowance for accounts receivable was as follows:

	For the six months ended June 30	
	2022	2021
Balance at the beginning of the period	\$ 35,462	72,441
Impairment losses recognized(reversed)	(11,110)	1,350
Foreign exchange gains(losses)	80	(40)
Balance at the end of the period	\$ 24,432	73,751

The aforementioned notes and accounts receivables of the Group had not been pledged as collateral.

The carrying amounts of notes and accounts receivable with short maturity are not discounted under the assumption that the carrying amount approximates the fair value.

(c) Inventories

The components of the Group's inventories were as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Merchandise and finished goods	\$ 48,045	70,885	58,670
Work in process	117,684	127,743	83,128
Raw material	233,278	200,760	230,253
Inventory in transit	5	71	-
	\$ 399,012	399,459	372,051

The Group inventories were not provided as pledged assets.

Except for operating costs arising from the ordinary sale of inventories, other gains and losses directly recorded under operating cost were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Losses on decline in market value of inventory	\$ 17,246	4,474	21,682	11,366

(d) Financial assets at fair value through profit or loss – non-current

	June 30, 2022	December 31, 2021	June 30, 2021
Mandatorily measured at fair value through profit or loss:			
Unlisted stocks (domestic)			
Yayatech Co., Ltd.	\$ 9,644	9,644	9,644
For Win Tech Co., Ltd.	6,100	6,100	1,100
	\$ 15,744	15,744	10,744

(e) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group were as follows:

	Buildings	Machinery equipment	Other equipment	Construction in progress	Total
Cost:					
Balance at January 1, 2022	\$ 305,714	10,753	29,633	11,640	357,740
Additions	-	578	2,138	-	2,716
Reclassification	-	466	359	-	825
Disposals	-	-	(1,616)	-	(1,616)
Effect of movement in exchange rates	874	3	95	-	972
Balance at June 30, 2022	\$ 306,588	11,800	30,609	11,640	360,637
Balance at January 1, 2021	\$ 305,182	6,265	27,032	834	339,313
Additions	165	502	4,252	111	5,030
Reclassification	141	-	(45)	(505)	(409)
Disposals	-	-	(189)	-	(189)
Effect of movement in exchange rates	(122)	(1)	(14)	-	(137)
Balance at June 30, 2021	\$ 305,366	6,766	31,036	440	343,608
Depreciation:					
Balance at January 1, 2022	\$ 75,422	3,742	11,556	-	90,720
Depreciation	9,025	1,581	3,265	-	13,871
Disposals	-	-	(1,555)	-	(1,555)
Effect of movement in exchange rates	333	-	29	-	362
Balance at June 30, 2022	\$ 84,780	5,323	13,295	-	103,398
Balance at January 1, 2021	\$ 57,416	1,778	8,839	-	68,033
Depreciation	8,987	745	2,885	-	12,617
Disposals	-	-	(163)	-	(163)
Effect of movement in exchange rates	(60)	(1)	(6)	-	(67)
Balance at June 30, 2021	\$ 66,343	2,522	11,555	-	80,420
Carrying amounts:					
January 1, 2022	\$ 230,292	7,011	18,077	11,640	267,020
June 30, 2022	\$ 221,808	6,477	17,314	11,640	257,239
January 1, 2021	\$ 247,766	4,487	18,193	834	271,280
June 30, 2021	\$ 239,023	4,244	19,481	440	263,188

(f) Right-of-use assets

The cost and depreciation of land, building and transportation equipment of the Group were as follows:

	Land and buildings	Other equipment	Total
Cost:			
Balance at January 1, 2022	\$ 270,522	24,103	294,625
Additions	-	3,496	3,496
Lease modification	1,024	-	1,024
Effect of movement in exchange rates	50	-	50
Balance at June 30, 2022	\$ 271,596	27,559	299,195
Balance at January 1, 2021	\$ 73,924	22,375	96,299
Additions	93,951	-	93,951
Lease modification	(476)	(1,575)	(2,051)
Effect of movement in exchange rates	(156)	(64)	(220)
Balance at June 30, 2021	\$ 167,243	20,736	187,979
Depreciation:			
Balance at January 1, 2022	\$ 15,262	15,999	31,261
Depreciation	4,860	2,851	7,711
Effect of movement in exchange rates	5	-	5
Balance at June 30, 2022	\$ 20,127	18,850	38,977
Balance at January 1, 2021	\$ 8,471	10,815	19,286
Depreciation	2,885	3,068	5,953
Lease modification	(483)	(854)	(1,337)
Effect of movement in exchange rates	(61)	(35)	(96)
Balance at June 30, 2021	\$ 10,812	12,994	23,806
Carrying amounts:			
January 1, 2022	\$ 255,260	8,104	263,364
June 30, 2022	\$ 251,469	8,749	260,218
January 1, 2021	\$ 65,453	11,560	77,013
June 30, 2021	\$ 156,431	7,742	164,173

(g) Intangible assets

There were no significant additions, disposal or recognition and reversal of impairment losses of intangible assets for the six months ended June 30, 2022 and 2021. Information on amortization for the period is discussed in note 12(a). Please refer to note 6(h) of the 2021 annual consolidated financial statements for other related information.

(h) Lease liabilities

The Group's lease liabilities were as follow:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2022</u>
Current	<u>\$ 16,497</u>	<u>16,638</u>	<u>15,983</u>
Non-current	<u>\$ 248,008</u>	<u>250,300</u>	<u>149,756</u>

For the maturity analysis, please refer to note 6(r).

The amounts recognized in profit or losses were as follows.

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest on lease liabilities	<u>\$ 956</u>	<u>442</u>	<u>1,895</u>	<u>692</u>
Expenses relating to short-term leases	<u>\$ 1,524</u>	<u>1,812</u>	<u>3,798</u>	<u>4,798</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 21</u>	<u>193</u>	<u>38</u>	<u>254</u>

The amounts recognized in the statement of cash flows for the Group was as follows:

	<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>
Total cash outflow for leases	<u>\$ 12,729</u>	<u>11,419</u>

(i) Provisions

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Warranty	<u>\$ 15,660</u>	<u>16,556</u>	<u>14,730</u>

There were no significant changes in provisions of the Group for the six months ended June 30, 2022 and 2021, please refer to note 6 (j) of the consolidated financial report of 2021.

(j) Long-term borrowings

The Company applied for a loan facility based on the "Action Plan for Accelerated Investment by Domestic Corporations", of which, \$220,000 has been used by the Group as working capital for its business operation. The borrowing was measured at the market interest rate, and the difference between the market interest rate and the actual interest rate was recognized as deferred income.

June 30, 2022				
	Currency	Interest rate	Due year	Amount
Unsecured bank loans	NTD	1.05~1.225	2022-2027	\$ 190,208
Less: deferred revenue				1,370
				<u>\$ 188,838</u>
Current				\$ 36,042
Non-current				152,796
Total				<u>\$ 188,838</u>
December 31, 2021				
	Currency	Interest rate	Due year	Amount
Unsecured bank loans	NTD	1.05~1.1	2022-2027	\$ 203,125
Less: deferred revenue				2,435
				<u>\$ 200,690</u>
Current				\$ 27,500
Non-current				173,190
Total				<u>\$ 200,690</u>
June 30, 2021				
	Currency	Interest rate	Due year	Amount
Unsecured bank loans	NTD	1.05~1.1	2021-2027	\$ 214,375
Less: deferred revenue				2,973
				<u>\$ 211,402</u>
Current				\$ 24,167
Non-current				187,235
Total				<u>\$ 211,402</u>
	June 30, 2022	December 31, 2021	June 30, 2021	
Deferred income — Government grants:				
Current	\$ 681	990	1,048	
Non-current	689	1,445	1,925	
Total	<u>\$ 1,370</u>	<u>2,435</u>	<u>2,973</u>	

(k) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2021 and 2020.

The expenses recognized in profit or loss for the Group were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Operating cost	\$ 6	6	12	11
Operating expenses	10	9	19	20
Total	<u>\$ 16</u>	<u>15</u>	<u>31</u>	<u>31</u>

(ii) Defined contribution plans

The Group's expenses under the pension plan cost to the Bureau of Labor Insurance were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Operating cost	\$ 1,993	1,549	3,917	2,942
Operating expenses	2,955	2,875	5,788	5,723
Total	<u>\$ 4,948</u>	<u>4,424</u>	<u>9,705</u>	<u>8,665</u>

(l) Income tax

The income tax expense is estimated by the profit before tax in the interim financial period multiplied by the best estimated effective interest rate of the whole year of the management.

The Group's income tax expense is as follows:

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Current income tax expense				
Current tax expense recognized in the current period	\$ 41,361	48,809	85,555	100,858
Income tax adjustments on prior years	(103)	9,780	(103)	9,780
Income tax expense	<u>\$ 41,258</u>	<u>58,589</u>	<u>85,452</u>	<u>110,638</u>

The tax authorities have examined income tax returns of the Company through 2019.

(m) Capital and other equity

Except for the following terms, there is no significant change in capital and other rights for the group for the six months ended June 30, 2022 and 2021. The relevant liability is referred to in note 6 (n) of the consolidated financial report of 2021.

(i) Ordinary shares

Dividends distributed by capital surplus please refer to the following retained earnings.

(ii) Retained earnings

Cash dividends distributed by capital surplus and earnings distribution were as follows:

	For the six months ended June 30, 2021	For the six months ended December 31, 2021	Total
Date resolved by Board of Directors	December 3, 2021	February 9, 2022	
Dividends distributed to common stockholders			
Cash-Retained earnings	\$ 89,457	402,554	492,011
Cash-Capital surplus	-	44,728	44,728
Total	<u>\$ 89,457</u>	<u>447,282</u>	<u>536,739</u>
Dividend rate	<u>\$ 2.00</u>	<u>10.00</u>	

	For the six months ended June 30, 2020	For the six months ended December 31, 2020	Total
Date resolved by Board of Directors	July 31, 2020	February 3, 2021	
Dividends distributed to common stockholders			
Cash-Retained earnings	\$ 134,185	-	134,185
Cash-Capital surplus	-	402,554	402,554
Total	<u>\$ 134,185</u>	<u>402,554</u>	<u>536,739</u>
Dividend rate	<u>\$ 3.00</u>	<u>9.00</u>	

(n) Earnings per share

The calculation of the Company's basic and diluted earnings per is as follows:

(i) Basic earnings per share

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Net income attributable to ordinary shareholders of the Company	<u>\$ 167,019</u>	<u>188,941</u>	<u>348,929</u>	<u>403,979</u>
Weighted average number of ordinary shares	<u>44,728</u>	<u>44,728</u>	<u>44,728</u>	<u>44,728</u>
Basic earnings per share (NTD)	<u>\$ 3.73</u>	<u>4.22</u>	<u>7.80</u>	<u>9.03</u>

(ii) Diluted earnings per share

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Net income attributable to ordinary shareholders of the Company (diluted)	<u>\$ 167,019</u>	<u>188,941</u>	<u>348,929</u>	<u>403,979</u>
Weighted average number of ordinary shares (basic)	44,728	44,728	44,728	44,728
Effect of potential ordinary shares				
Employees' compensation	281	165	365	213
Weighted-average number of ordinary shares (diluted)	<u>45,009</u>	<u>44,893</u>	<u>45,093</u>	<u>44,941</u>
Diluted earnings per share (in NTD)	<u>\$ 3.71</u>	<u>4.21</u>	<u>7.74</u>	<u>8.99</u>

(o) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended June 30, 2022		
	Taiwan	China	Total
Primary geographical markets:			
Taiwan	\$ 131,426	-	131,426
China	256,943	152,961	409,904
Others	8,209	-	8,209
	<u>\$ 396,578</u>	<u>152,961</u>	<u>549,539</u>
Primary merchandises/services lines:			
Sale of optical inspection machinery equipment	\$ 381,962	120,502	502,464
Revenue from services	14,616	32,459	47,075
	<u>\$ 396,578</u>	<u>152,961</u>	<u>549,539</u>

	For the three months ended June 30, 2021		
	Taiwan	China	Total
Primary geographical markets:			
Taiwan	\$ 184,666	-	184,666
China	372,143	126,742	498,885
Others	31,809	-	31,809
	<u>\$ 588,618</u>	<u>126,742</u>	<u>715,360</u>
Primary merchandises/services lines:			
Sale of optical inspection machinery equipment	\$ 573,805	108,527	682,332
Revenue from services	14,813	18,215	33,028
	<u>\$ 588,618</u>	<u>126,742</u>	<u>715,360</u>

For the six months ended June 30, 2022			
	Taiwan	China	Total
Primary geographical markets:			
Taiwan	\$ 237,607	-	237,607
China	558,491	307,265	865,756
Others	57,545	-	57,545
	\$ 853,643	307,265	1,160,908
Primary merchandises/services lines:			
Sale of optical inspection machinery equipment	\$ 826,626	250,643	1,077,269
Revenue from services	27,017	56,622	83,639
	\$ 853,643	307,265	1,160,908

For the six months ended June 30, 2021			
	Taiwan	China	Total
Primary geographical markets:			
Taiwan	\$ 410,790	-	410,790
China	751,247	193,521	944,768
Others	48,435	-	48,435
	\$ 1,210,472	193,521	1,403,993
Primary merchandises/services lines:			
Sale of optical inspection machinery equipment	\$ 1,183,568	159,744	1,343,312
Revenue from services	26,904	33,777	60,681
	\$ 1,210,472	193,521	1,403,993

(ii) Contract Balance

	June 30, 2022	December 31, 2021	June 30, 2021
Notes receivable	\$ 25,370	36,838	25,752
Accounts receivable	1,169,863	1,369,472	1,471,937
Long-term accounts receivable	168,922	132,127	144,294
Less: allowance loss	24,432	35,462	73,751
	\$ 1,339,723	1,502,975	1,568,232
Contract liabilities--advance receipts	\$ 52,757	93,904	37,314

Please refer to note 6(b) for the details on accounts receivables and allowance for impairments.

The contract liability is mainly due to advance receipts, wherein the Company will recognize revenue when the product is delivered to the customer. The amount of revenue recognized for the six months ended June 30, 2022 and 2021 that were included in the contract liability balance at the beginning of the period were \$81,702 thousand and \$31,884 thousand, respectively.

(p) Remuneration to employees and directors

In accordance with the Company's Articles, the profit for the year should be reserved to offset the deficit, then, should contribute no less than 5% of the profit as employee remuneration, and less than 3% as directors' remuneration.

The remunerations to employees amounted to \$16,926 thousand, \$20,556 thousand, \$38,860

thousand, and \$42,755 thousand, respectively, for the three-month period ended June 30, 2022 and 2021, and for the six-month period ended June 30, 2022 and 2021. The remunerations to directors amounted to \$2,986 thousand, \$3,246 thousand, \$6,226 thousand, and \$6,751 thousand, respectively, for the three-month period ended June 30, 2022 and 2021, and for the six-month period ended June 30, 2022 and 2021. These amounts were calculated using the Company's net income before tax without the remunerations to employees and directors for each period, multiplied by the proposed percentage which is stated under the Company's proposed Article of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

In 2021 and 2020, the amount of employee remuneration is NT\$92,107 thousand and NT\$67,278 thousand, respectively, and that of directors and supervisors is NT\$12,831 thousand and NT\$10,623 thousand, respectively. There is no difference from the distribution of board resolutions. The information is available on the Market Observation Post System website.

(q) Non-operating income and expenses

(i) Interest income

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Bank deposits	\$ 1,097	765	1,815	1,372
Others	(33)	19	(99)	(7)
Total	<u>\$ 1,064</u>	<u>784</u>	<u>1,716</u>	<u>1,365</u>

(ii) Other income

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Dividends	\$ -	171	-	171
Others	2,442	1,375	3,238	2,256
Total	<u>\$ 2,442</u>	<u>1,546</u>	<u>3,238</u>	<u>2,427</u>

(iii) Other gains and losses

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Losses on disposals of property, plant and equipment	\$ (28)	(7)	(61)	(26)
Gains on lease modification	-	9	-	20
Foreign exchange gains(losses)	21,803	(25,541)	63,204	(29,051)
Others	(4)	(5,501)	(44)	(5,613)
Other gains and losses, net	<u>\$ 21,771</u>	<u>(31,040)</u>	<u>63,099</u>	<u>(34,670)</u>

(iv) Finance costs

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Interest expenses	<u>\$ 1,472</u>	<u>1,022</u>	<u>2,935</u>	<u>1,836</u>

(r) Financial Instruments

Except for the following, there is no significant change in the fair value of the financial instruments and the exposure to credit risks and market risks due to financial instruments. Please refer to note 6 (s) of the consolidated financial report of 2021.

(i) Credit risk

The credit receivable account of the credit risk Group in June 30, 2022, December 31, 2021 and June 30, 2021 was concentrated on single customers, accounting for 16%, 31% and 26% of the receivable and accounts receivable (including long-term receivables) respectively.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying Amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
June 30, 2022					
Non-derivative financial liabilities					
Long-term borrowings(including deferred revenue)	\$ 190,208	193,439	37,315	156,124	-
Notes payable	141	141	141	-	-
Accounts payable	289,230	289,230	289,230	-	-
Other payables	354,044	354,044	354,044	-	-
Dividend payable	447,282	447,282	447,282	-	-
Lease liabilities (including non-current)	264,505	359,487	16,497	37,015	305,975
	<u>\$ 1,545,410</u>	<u>1,643,623</u>	<u>1,144,509</u>	<u>193,139</u>	<u>305,975</u>
	Carrying Amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
December 31, 2021					
Non-derivative financial liabilities					
Long-term borrowings(including deferred revenue)	\$ 203,125	206,192	28,537	170,768	6,887
Notes payable	116	116	116	-	-
Accounts payable	302,585	302,585	302,585	-	-
Other payables	352,386	352,386	352,386	-	-
Dividend payable	89,457	89,457	89,457	-	-
Lease liabilities (including non-current)	266,938	369,087	16,638	38,593	313,856
	<u>\$ 1,214,607</u>	<u>1,319,823</u>	<u>789,719</u>	<u>209,361</u>	<u>320,743</u>

	Carrying Amount	Contractual cash flows	Within 1 year	1-5 years	Over 5 years
June 30, 2021					
Non-derivative financial liabilities					
Long-term borrowings(including deferred revenue)	\$ 214,375	218,017	25,280	172,021	20,716
Notes payable	5,849	5,849	5,849	-	-
Accounts payable	301,799	301,799	301,799	-	-
Other payables	332,070	332,070	332,070	-	-
Dividend payable	402,554	402,554	402,554	-	-
Lease liabilities (including non-current)	165,739	198,318	15,987	38,391	143,940
	<u>\$ 1,422,386</u>	<u>1,458,607</u>	<u>1,083,539</u>	<u>210,412</u>	<u>164,656</u>

The Group is not expecting the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii)Market risk

(1) Currency risk

The Group's significant exposure to foreign currency risk was as follows:

	Foreign currency	Exchange rate	NTD
June 30, 2022			
Financial Assets			
<u>Monetary items</u>			
USD	\$ 29,424	29.7200	874,495
CNY	\$ 135,426	4.4390	601,157
Financial liabilities			
<u>Monetary items</u>			
USD	\$ 2,111	29.7200	62,750
CNY	\$ 18,122	4.4390	80,444
December 31, 2021			
Financial Assets			
<u>Monetary items</u>			
USD	\$ 28,856	27.6800	798,723
CNY	\$ 108,806	4.3440	472,652
Financial liabilities			
<u>Monetary items</u>			
USD	\$ 1,783	27.6800	49,351
CNY	\$ 17,378	4.3440	75,489

	<u>Foreign currency</u>	<u>Exchange rate</u>	<u>NTD</u>	
June 30, 2021				
Financial Assets				
<u>Monetary items</u>				
USD	\$	35,728	27.8600	995,383
CNY	\$	104,855	4.3090	451,820
Financial liabilities				
<u>Monetary items</u>				
USD	\$	1,686	27.8600	46,968
CNY	\$	14,107	4.3090	60,788

The exchange rate risk of a Group is mainly derived from foreign currency denominated cash and cash equivalents, receivables and payables and so on, which will generate foreign currency exchange gains and losses in conversion. On June 30, 2022 and 2021 when the NT dollar depreciated or appreciated by 3% compared to the US dollar and CNY exchange rate, and all other factors remained unchanged; the net profit after tax will increase or decrease by \$31,979 thousand and \$32,147 thousand respectively for the six months ended June 30, 2022 and 2021.

Due to the wide variety of trading currencies of Group, the exchange and profit and loss information of monetary items was disclosed by collecting and consolidation methods. The net loss (including realized and unrealized) of foreign currency exchange for the three months ended June 30, 2022 and 2021, and for the six months ended June 30, 2022 and 2021 were \$21,803 thousand, \$(25,541) thousand, \$63,204 thousand and \$(29,051) thousand, respectively.

(2) Interest rate risk

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is determined by the interest rate storm risk of derivative and non-derivative instruments in the reporting day. For floating rate liabilities, the way of analysis is to assume that the amount of debt in circulation outside the reporting day is in circulation throughout the year. The rate of change used to report interest rates to key management within the Group is an increase or loss of 1% per cent in interest rates, which also represents an assessment by management of the extent to which interest rates may vary reasonably.

If interest rate had increased or decreased by 1%, in the event that all other variables remain unchanged, the Group of tax net profit will increase or decrease \$10,127 thousand and \$7,511 thousand, respectively for the six months ended June 30, 2022 and 2021, respectively, with all other variable factors remain constant. This is mainly due from the Group's cash in bank and borrowing on variable rates.

(iv) Fair value

(1) Categories and fair value of financial instruments

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

		June 30, 2022			
		Fair value			
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	\$ 15,744	-	-	15,744	15,744
Financial assets at amortized cost					
Cash and cash equivalents	2,216,812	-	-	-	-
Accounts, notes and long term receivables	1,339,723	-	-	-	-
Refundable deposits	21,924	-	-	-	-
Other non-current assets	11,585	-	-	-	-
Subtotal	3,590,044	-	-	-	-
Total	\$ 3,605,788	-	-	15,744	15,744
Financial liabilities measured at amortized cost					
Long-term borrowings (including deferred revenue)	\$ 190,208	-	-	-	-
Notes payable	141	-	-	-	-
Accounts payable	289,230	-	-	-	-
Other payables	354,044	-	-	-	-
Dividend payable	447,282	-	-	-	-
Lease liabilities (including non-current)	264,505	-	-	-	-
Total	\$ 1,545,410	-	-	-	-
		December 31, 2021			
		Fair value			
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	\$ 15,744	-	-	15,744	15,744
Financial assets at amortized cost					
Cash and cash equivalents	1,976,971	-	-	-	-
Accounts, notes and long term receivables	1,502,975	-	-	-	-
Refundable deposits	12,923	-	-	-	-
Other non-current assets	11,551	-	-	-	-
Subtotal	3,504,420	-	-	-	-
Total	\$ 3,520,164	-	-	15,744	15,744

	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost					
Long-term borrowings (including deferred revenue)	\$ 203,125	-	-	-	-
Notes payable	116	-	-	-	-
Accounts payable	302,585	-	-	-	-
Other payables	352,386	-	-	-	-
Dividend payable	89,457	-	-	-	-
Lease liabilities (including non-current)	266,938	-	-	-	-
Total	<u>\$ 1,214,607</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2021					
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Financial assets mandatorily measured at fair value through profit or loss	\$ 10,744	-	-	10,744	10,744
Financial assets at amortized cost					
Cash and cash equivalents	1,723,766	-	-	-	-
Accounts, notes and long term receivables	1,568,232	-	-	-	-
Refundable deposits	10,499	-	-	-	-
Other non-current assets	21,822	-	-	-	-
Subtotal	3,324,319	-	-	-	-
Total	<u>\$ 3,335,063</u>	<u>-</u>	<u>-</u>	<u>10,744</u>	<u>10,744</u>
Financial liabilities at amortized cost					
Long-term borrowings (including deferred revenue)	\$ 214,375	-	-	-	-
Notes payable	5,849	-	-	-	-
Accounts payable	301,799	-	-	-	-
Other payables	332,070	-	-	-	-
Dividend payable	402,554	-	-	-	-
Lease liabilities (including non-current)	165,739	-	-	-	-
Total	<u>\$ 1,422,386</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(2) Valuation techniques for financial instruments measured at fair value – non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place "regularly" is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market price may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are

traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

If the financial instruments have no quoted market price in an active market, the Group shall use the market comparison approach to evaluate the fair value. The main assumption used in computing the market price is based on the investee's equity and the quoted price from a competitor. The estimated price has been discounted due to the lack of liquidity in the price of securities.

(3) Fair value hierarchy

The Group uses observable market inputs for measuring its assets and liabilities as much as possible. The fair value levels are classified as follows according to the input values for the assessment:

- A. Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities
- B. Level 2: Inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- C. Level 3: Inputs are unobservable inputs for an asset or liability.

No transfers between the Group's fair value levels.

(4) Reconciliation of level 3 fair values

	Unquoted equity instruments
Balance at June 30, 2022 (Balance at January 1, 2022)	<u><u>\$ 15,744</u></u>
Balance at June 30, 2021 (Balance at January 1, 2021)	<u><u>\$ 10,774</u></u>

(5) Quantitative information of significant unobservable inputs (Level 3) through fair value

Item	Valuation technique	Significant unobservable inputs	Relation between significant unobservable inputs and fair value
Financial assets at fair value through profit or loss – investment of equity instruments without active market	Guideline publicly traded company method	P/B multiplier (June 30, 2022, December 31, 2021 and June 30, 2021 were 2.38~2.48, 2.38~2.48 and 2.44~2.76 respectively) P/E multiplier (June 30, 2022, December 31, 2021 and June 30, 2021 were 12.06~13.22, 12.06~13.22 and 19.84~37.81 respectively) Discount for Lack of Market ability (June 30, 2022, December 31, 2021 and June 30, 2021 were 30%)	Higher P/B multiplier and P/E multiplier will cause an increase in the fair value Higher discount for Lack of Market ability will cause a decrease in fair value.

(6) Fair value measurements in Level 3- sensitivity analysis of reasonably possible alternative assumptions

The Group's measurement on the fair of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

			Other comprehensive income	
			Favorable	Unfavorable
	Input	Assumptions		
June 30, 2022				
Financial assets at fair value through profit or loss				
Equity investments without an active market	Market illiquidity discount rate	10%	4,883	(4,883)
December 31, 2021				
Financial assets at fair value through profit or loss				
Equity investments without an active market	Market illiquidity discount rate	10%	4,883	(4,883)
June 30, 2021				
Financial assets at fair value through profit or loss				
Equity investments without an active market	Market illiquidity discount rate	10%	4,664	(4,664)

The favorable and unfavorable effects represent the change in fair value, and the fair value is based on a variety of un-observable inputs calculated using a valuation technique.

(s) Financial risk management

Consolidation of corporate financial risk management objectives and policies there were no significant changes in the disclosure of Notes 6 (t) to the 2021 consolidated financial report.

(t) Capital management

The Group's capital management objectives, policies and procedures are consistent with those revealed in the 2021 consolidated financial report. For further information, please refer to note 6 (u) of the consolidated financial report of 2021.

The Group's debt-to-adjusted-capital ratio at the end of the reporting period was as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Liabilities	\$ 1,728,927	\$ 1,550,858	\$ 1,598,111
Less: cash and cash equivalents	2,216,812	1,976,971	1,723,766
Net liabilities	<u><u>\$ (487,885)</u></u>	<u><u>\$ (426,113)</u></u>	<u><u>\$ (125,655)</u></u>
Total equity	<u><u>\$ 2,861,709</u></u>	<u><u>\$ 2,958,224</u></u>	<u><u>\$ 2,611,989</u></u>
Debt-to-capital ratio	<u><u>- %</u></u>	<u><u>- %</u></u>	<u><u>- %</u></u>

As of June 30, 2022, there was no change in the Group's approach of capital management.

(u) Reconciliation of liabilities arising from financing activities

The Group's liability adjustment associated with financing activities were as follows:

	January 1, 2022	Cash flows	Increase in right-of- use assets	Non-cash adjustments				June 30, 2022
				Lease Modification	Foreign exchange movement	Interest expenses		
Long-term borrowings(including deferred revenue)	\$ 203,125	(12,917)	-	-	-	-	-	190,208
Lease liabilities	266,938	(8,893)	3,496	1,024	45	1,895		264,505
Total liabilities from financing activities	<u>\$ 470,063</u>	<u>(21,810)</u>	<u>3,496</u>	<u>1,024</u>	<u>45</u>	<u>1,895</u>		<u>454,713</u>

	January 1, 2021	Cash flows	Increase in right-of- use assets	Non-cash adjustments				June 30, 2021
				Lease Modification	Foreign exchange movement	Interest expenses		
Long-term borrowings	\$ 220,000	(5,625)	-	-	-	-	-	214,375
Lease liabilities	78,325	(6,367)	93,951	(734)	(128)	692		165,739
Total liabilities from financing activities	<u>\$ 298,325</u>	<u>(11,992)</u>	<u>93,951</u>	<u>(734)</u>	<u>(128)</u>	<u>692</u>		<u>380,114</u>

(7) Related-party Transactions

Compensation of key management personnel:

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Short-term employee benefits	\$ 10,405	10,999	23,081	25,078
Post-employment benefits	108	81	189	162
	<u>\$ 10,513</u>	<u>11,080</u>	<u>23,270</u>	<u>25,240</u>

(8) Pledge assets

The book value of pledged assets was as follows:

Pledged assets	Object asset	June 30, 2022	December 31, 2021	June 30, 2021
Other non-current assets:				
Time deposits	Guarantee for customs	\$ 1,514	1,513	1,513
Time deposits	Guarantee for the Hsinchu Science Park Bureau	10,071	10,038	10,001
Time deposits	Guarantee for Sales agreement	-	-	2,811
Time deposits	Guarantee for Project	-	-	7,497
		<u>\$ 11,585</u>	<u>11,551</u>	<u>21,822</u>

(9) Commitments and contingencies:

For business expansion, the Company construct a factory and building on rented land in the Hsinchu Science Park. Date of the board of directors resolution was on May 26, 2022. Anticipated monetary amount of participation in the investment was NT\$1,300,000 thousands. As of June 30, 2022, the Company has invested NT\$11,200 thousands.

(10) Losses due to major disasters: None.

(11) Subsequent events: None

(12) Others

(a) The following is a summary statement of employee benefits, depreciation and amortization expensed by function:

Function Item	For the three months ended June 30 2022			For the three months ended June 30 2021		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits						
Salaries	33,705	80,981	114,686	29,310	87,439	116,749
Labor and health insurance	2,473	4,631	7,104	2,369	5,099	7,468
Pension	1,999	2,974	4,973	1,555	2,884	4,439
Directors' remuneration	-	3,056	3,056	-	3,252	3,252
Other employee benefits	2,023	3,055	5,078	3,020	5,823	8,843
Depreciation	2,297	8,603	10,900	2,674	6,848	9,522
Amortization	-	-	-	-	27	27

Function Item	For the six months ended June 30 2022			For the six months ended June 30 2021		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefits						
Salaries	68,202	171,785	239,987	58,894	177,231	236,125
Labor and health insurance	5,117	9,363	14,480	4,745	10,502	15,247
Pension	3,929	5,816	9,745	2,953	5,743	8,696
Directors' remuneration	-	6,302	6,302	-	6,798	6,798
Other employee benefits	7,196	12,180	19,376	6,198	12,787	18,985
Depreciation	4,591	16,991	21,582	5,490	13,080	18,570
Amortization	-	-	-	-	55	55

(b) Seasonal of operations:

The operation of the Group is not affected by seasonal or cyclical factors.

(13) Other Disclosure

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

- Loans to other parties: None.
- Guarantees and endorsements for other parties: None.
- Securities held(excluding investment in subsidiaries, associates and joint ventures):

(Amounts in Thousands of New Taiwan Dollar)

Company holding securities	Security type and name	Relationship with the Company	Account	June 30, 2021				Notes
				Shares (in thousands)	Carrying value	Percentage of ownership (%)	Market value	
The Company	Yayatech Co. Ltd.	-	Financial assets at fair value through profit or loss	884,000	9,644	5.30 %	9,644	
SISSCA Co.,Ltd.	FOR WIN TECH CO., LTD.	-	Financial assets at fair value through profit or loss	610,000	6,100	9.68 %	6,100	

4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock : None.
5. Acquisitions of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
6. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None.
7. Related-party transaction for purchases and sales with amounts exceeding the lower of NT\$300 million or 20% of the capital stock:

Name of company	Counter-party	Relationship	Transaction details				Arm's-length transaction		Account / note receivable (payable)		Remarks
			Purchase / Sale	Amount	Percentage of total purchases / sales	Credit period	Unit price	Credit period	Balance	Percentage of total accounts / notes receivable (payable)	
The Company	Machvision (Dongguan) Inc.	Subsidiary	(Sale)	(219,658)	(21) %	Depends on the end customer's credit period	Not significantly differences	Depends on the end customer's credit period	546,853	36%	(Note 1)
Machvision (Dongguan) Inc.	The Company	Subsidiary	Purchase	219,658	88 %	Depends on the end customer's credit period	Not significantly differences	Depends on the end customer's credit period	(546,853)	(96)%	(Note 1)

Note 1: The transactions have been eliminated upon consolidation.

8. Receivable from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital:

Company Name	Related Party	Nature of relationships	Balance as of June 30, 2022	Turnover rate	Overdue		Amount Received in Subsequent	Allowance for Impairment Loss
					Amount	Action Taken		
The Company	Machvision (Dongguan) Inc.	Subsidiaries	546,853	0.89	332,835	Depends on the end customer's credit period	26,082 (As of August 3, 2022)	-

9. Trading in derivative instruments: None.

10. Business relationships and significant intercompany transactions:

No. Note 1	Name of company	Name of counterparty	Existing relationship with the counter-party	Transaction details			
				Account name	Amount	Trading terms	Percentage of the total consolidated revenue or total assets
0	The Company	Machvision (Dongguan) Inc.	1	Operating revenue	219,658	Depends on the Group overall profit allocation	18.92%
0	The Company	Machvision (Dongguan) Inc.	1	Operating cost	56,824	Not significantly differences with general customers	4.89%
0	The Company	Sigold Optics Inc.	1	Operating cost	17,087	Not significantly differences with general customers	1.47%
0	The Company	Machvision (Dongguan) Inc.	1	Accounts receivable – related parties (including long-term accounts receivable)	546,853	Depends on the end customer's credit period	11.91%
0	The Company	Machvision (Dongguan) Inc.	1	Other payables – related parties	85,154	Depends on capital budgeting	1.85%

Note 1: Company numbering is as follows:

- (1) Parent company is 0.
- (2) Subsidiary starts from 1.

Note 2: The number of the relationship with the transaction counterparty represents the following:

- (1) 1 represents downstream transactions.
 (2) 2 represents upstream transaction.

Note 3: For balance sheet items, over 1% of total consolidated assets, and for profit or loss items, over 1% total consolidated revenue were selected for disclosure.

(b) Information On Investees:

The following is the information on investees for the six months ended June 30, 2022 (excluding information on investees in China):

Name of Investor	Name of investee	Address	Scope of business	Original Cost		Ending balance			Net Income of Investee	Investment income (Losses) (Note 3)	Note
				June 30, 2022	December 31, 2021	Shares	Percentage of ownership	Book value			
The Company	Machvision Inc.	Samoa	Investment	105,433	105,433	3,463,650	100.00%	4,339	9,286	9,286	1, 2
The Company	Autovision Technology Inc.	Taiwan	Manufacturing of computer peripheral products	9,000	9,000	900,000	45.00%	11,050	1,050	473	2
The Company	Sigold Optics Inc.	Taiwan	Manufacturing of machinery equipment	49,470	49,470	6,947,963	49.47%	76,759	3,535	1,749	2
The Company	Machvision Korea Co., Ltd.	Korea	Maintaining and trading of machinery equipment	21,542	21,542	10,000	100.00%	3,610	(2,248)	(2,248)	2
The Company	ChipAI Co., LTD.	Taiwan	Manufacturing of computer peripheral products	18,000	18,000	1,800,000	-%	3,647	(103)	(92)	2
The Company	Avountes Inc.	Taiwan	Electronic Information supply Services	8,962	8,962	900,000	45.00%	6,414	165	74	2
The Company	SISSCA Co.,Ltd.	Taiwan	Manufacturing of computer peripheral products	36,295	36,295	3,629,500	36.30%	28,914	(2,197)	(797)	2
Sigold Optics Inc.	SISSCA Co.,Ltd.	Taiwan	Manufacturing of computer peripheral products	43,300	43,300	4,330,000	43.30%	34,495	(2,197)	(951)	2

Note 1: The company is a limited company.

Note 2: The transactions within the Group were eliminated in the consolidated financial statements.

Note 3: The investment income was recognized under the equity method and based on the financial statements audited by the auditor of the Company.

(c) Information on investments in China

- (i) The names of investees in Mainland China, the main businesses and products, and other information:

Units: NT\$ thousand

Name of investment in China	Major operations	Issued capital	Method of Investment (Note 1)	Beginning remittance balance – cumulative investment (amount) from Taiwan	Current remittance / receivable investment (amount)		Ending remittance balance - cumulative investment (amount) from Taiwan	Net income of investee	Direct / indirect shareholdings or investments (%) in the Company	Current investment gains and losses (Note 3)	Book value (Note 2)	Remittance of investment income in current period
					Invested amount	Returned amount						
Machvision (Dongguan) Inc.	Maintaining and trading of machinery equipment	105,361	(2)i	105,361	-	-	105,361	9,286	100%	9,286	19,513	-
Dongguan muxin intelligent equipment Co., Ltd	Maintaining and trading of machinery equipment	4,220	(4)i	-	-	-	-	4	51%	2	2,333	-

Note 1: The method of investment is divided into the following four categories:

- (1) Remittance from third region companies to invest in Mainland China.

- (2) Through the establishment of third region companies then investing in Mainland China.
- i. Through the establishment of Machvision Inc. then investing in Mainland China.
- (3) Through transferring the investment to third region existing companies then investing in Mainland China.
- (4) Other methods: EX: delegated investments.
- i. Through the establishment of Machvision (Dongguan) Inc. then investing in Mainland China.

Note 2: The transactions within the Group were eliminated in the consolidated financial statements.

Note 3: The recognition of investment gains and losses in this period is based on the same period that the invested company prepares its own financial reports that have not been approved by the accountant, and the evaluation of the rights and interest's method is adopted.

(ii) Limitation on investment in China:

Company Name	Accumulated investment amount in Mainland China as of End of the Period	Investment (amount) approved by Investment Commission, Ministry of Economic Affairs	Maximum investment amount set by Investment Commission, Ministry of Economic Affairs
The Company	105,361	105,361	1,652,334 (Note 1)

Note 1: It represents 60% of the Company's net equity.

(iii) Significant transactions:

Please refer to details in the “Relationships between Parent Company and Subsidiaries and Significant Transactions” for the significant transactions directly or indirectly related to the investment in China for the six months ended June 30, 2022.

(d) Information of major shareholders: None.

(14) Segment Information

The Corporation's business operations are focused in a single industry, mainly in the manufacturing, sales and testing of optical inspection machines and equipment. The end use of the Corporation's products are similar. The operational decision makers evaluate the Corporation's overall performance and allocate resources for the Corporation's overall business operations. Hence, there is only one reportable segment for the Corporation.

The Group's reportable segments and adjustments were as follows:

	Taiwan	China	Adjustment and Elimination	Total
For the three months ended June 30, 2022				
Revenue:				
Revenue from external customers	\$ 396,578	152,961	-	549,539
Inter-segment revenue	122,382	32,935	(155,317)	-
Total revenue	\$ 518,960	185,896	(155,317)	549,539
Reportable segment revenue or loss	\$ 179,533	7,678	-	187,211

	Taiwan	China	Adjustment and Elimination	Total
For the three months ended June 30, 2021				
Revenue:				
Revenue from external customers	\$ 588,618	126,742	-	715,360
Inter-segment revenue or loss	98,915	8,511	(107,426)	-
Total revenue	\$ 687,533	135,253	(107,426)	715,360
Reportable segment revenue or loss	\$ 282,861	(8,571)	-	274,290

	Taiwan	China	Adjustment and Elimination	Total
For the six months ended June 30, 2022				
Revenue:				
Revenue from external customers	\$ 853,463	307,265	-	1,160,908
Inter-segment revenue	248,565	57,337	(305,902)	-
Total revenue	\$ 1,102,208	364,602	(305,902)	1,160,908
Reportable segment revenue or loss	\$ 359,422	11,837	-	371,259

For the six months ended June 30, 2021				
Revenue:				
Revenue from external customers	\$ 1,210,472	193,521	-	1,403,993
Inter-segment revenue	159,429	12,044	(171,473)	-
Total revenue	\$ 1,369,901	205,565	(171,473)	1,403,993
Reportable segment revenue or loss	\$ 570,576	(28,133)	-	542,443

For the three months ended June 30, 2022 and 2021 and the six months ended June 30, 2022 and 2021, the total revenue of the reportable segment should exclude the inter-segment revenue of \$155,317 thousand, \$107,426 thousand, \$305,902 thousand and \$171,473 thousand, respectively.